

**DRAFT LEGISLATION TO REFORM EMPLOYMENT
AND TRAINING PROGRAMS ADMINISTERED BY
THE DEPARTMENT OF LABOR**

HEARING
BEFORE THE
SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT
OF THE
COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

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DRAFT LEGISLATION TO REFORM EMPLOYMENT AND TRAINING PROGRAMS ADMINISTERED BY THE DEPARTMENT OF LABOR

Thursday, September 17, 1987

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION, TRAINING
AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9 a.m., in room 334, Cannon House Office Building, Hon. Wayne Dowdy (chairman of the subcommittee) presiding.

Present: Representatives Dowdy, Jontz, Patterson, Evans, Kennedy, and Smith of New Jersey.

OPENING STATEMENT OF CHAIRMAN DOWDY

Mr. Dowdy. Good morning. I want to welcome all of you to today's hearing.

This morning the Subcommittee on Education, Training and Employment is meeting for the purpose of reviewing draft legislation which would tighten and improve veterans' employment services provided under chapter 41 of title 38, United States Code.

The clear need for a revision of this chapter was established during hearings held by the subcommittee last May. Through the years, Congress has established a number of programs to maximize employment opportunities for those who served in our armed forces. Overall, these programs have been effective and countless veterans have been placed in meaningful employment as a result of the combined Federal/State commitment established under chapter 41. Nonetheless, for too long, job descriptions and responsibilities under chapter 41 have been very unclear, leading to misunderstandings, some abuse, and reduced services to our Nation's veterans.

This is a major undertaking we are looking at today. After lengthy and in-depth discussions with many people concerned with veterans' employment issues, including several of our witnesses that we'll be hearing from later, we developed a draft proposal which I believe will greatly improve the delivery system for veterans' employment programs.

In general, the draft bill would, first, clearly define the responsibilities of Local Veterans' Employment Representatives, LVERs; secondly, it would provide a formula, based on need, establishing the staffing level for LVERs; third, it would clarify the role of the

Assistant Secretary of Labor for Veterans' Employment and Training as the official in the Department of Labor with primary responsibility for veterans' employment and training programs and establish the responsibility of the ASVET to ensure that veterans are fully served under other Department of Labor employment and training programs.

It would codify the position of Regional Administrator for Veterans' Employment and Training, and it would codify the position of Deputy Assistant Secretary of Labor for Veterans' Employment and Training in the career senior executive service. It would establish the National Veterans' Employment and Training Service Institute, and last, it would expand the Secretary of Labor's Committee on Veterans' Employment.

Because of the importance of the program changes we will be contemplating today, and the need for full discussion of these issues, I chose to work from a draft bill. We look forward to input from all of our witnesses and expect to incorporate some of your recommendations into the bill that will be reported by the subcommittee. We welcome your comments and concerns, and I want to thank all of you who assisted in the development of this working paper.

Because we don't have a large number of witnesses today, if it is permissible with the members of the subcommittee present, we will not strictly adhere to the 5-minute rule.

Before we invite our witnesses to come forward, I would like to defer to the ranking minority member, my esteemed colleague from the State of New Jersey, Chris Smith.

OPENING STATEMENT OF HON. CHRISTOPHER H. SMITH

Mr. SMITH of New Jersey. Thank you, Mr. Chairman.

I want to commend you on your initiative in calling for this hearing to review our veterans job training programs and to promote legislation aimed at reforming and improving those programs.

Mr. Chairman, on May 13 of this year, as you well know, our subcommittee held an oversight hearing to review veterans' employment programs administered by the Department of Labor. At that time we heard from several veterans groups concerning their views and evaluation of the programs. It was brought to our attention that some Job Service programs were not successfully meeting the needs of our veteran population. Several useful suggestions for improvement were offered during that hearing.

I believe, Mr. Chairman, that the legislation you have authored, the draft legislation, is a good first step in addressing some of the concerns raised by the veterans' organizations. This legislation would serve the special needs of our Nation's veterans in several important ways. It would provide for better coordination of veterans employment programs, ensure that an adequate number of trained personnel are available to carry out the objectives of the programs, and provide for the means to monitor and evaluate the programs' effectiveness. These provisions are essential to the successful implementation of employment programs developed to assist veterans.

Mr. Chairman, I am confident that the members of our subcommittee can and will work together, as we have in the past, with the veteran community and the Department of Labor to provide a better Job Service program. I look forward to hearing the testimony of our witnesses today and I welcome all of them to the committee this morning.

Mr. DOWDY. Thank you very much, Mr. Smith.

We also have Liz Patterson, a member of the subcommittee from the State of South Carolina. Mrs. Patterson.

Mrs. PATTERSON. Thank you, Mr. Chairman. I would just like to join you and the ranking minority member in your statements and say that I look forward to hearing from our witnesses as we address this problem.

Thank you.

Mr. DOWDY. Thank you very much.

Before we begin, without objection, the hearing record will be held open for a period of 2 weeks within which to receive additional statements and documents.

Our first witness will be the Assistant Secretary of Labor for Veterans' Employment and Training, the Honorable Donald Shasteen. Don is accompanied by Deputy Assistant Secretary Bill Prince. I want to welcome both of you.

It is my understanding that Mr. Prince had some health problems within the last month. Mr. Prince, we are glad that you have recovered so nicely and we look forward to hearing from you this morning.

Mr. PRINCE. Thank you, Mr. Chairman.

STATEMENT OF HON. DONALD E. SHASTEEN, ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR; ACCOMPANIED BY G.B. (BILL) PRINCE, JR., DEPUTY ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING

Mr. SHASTEEN. Mr. Chairman, thank you very much. I am also glad that Mr. Prince has recovered because I very much need the help with the responsibilities for carrying out title 38 under the mandates that the Congress has laid down.

Mr. Chairman, I prefer to submit my testimony for the record and just give a brief summary or a few opening comments, and then open it to questions. I am privileged to be here and I deeply appreciate the opportunity to appear by your invitation.

I would like to say first, though, that I want to express my appreciation to the members of the staff who have worked with us over a period of months in discussing and addressing the problems that are addressed in this legislation. While we have not agreed on every detail, I feel there are many good things about this bill, and they are things that will increase our effectiveness, our ability, to manage the programs.

We recognize that the States have some problems with it, and we are very attentive to those concerns, and we look forward to the discussion that will take place during today's hearing as the other witnesses present their testimony and as all of us respond to your questions.

With that, Mr. Chairman, other than to say I believe the name of the game represented in this legislation—and also in the legislation that has been developed on the other side of the Hill—the name of the game is accountability. I want you and each member of this committee to know that, regardless of whether this legislation is passed in its present form or in some changed form, or whether we are left to our own devices in the Department of Labor, I want to assure you that we are going to constantly strive to improve and increase the accountability of our agency to you, to the veterans who need and deserve the services that we're required to deliver, and certainly to the employers who pay the unemployment insurance taxes that support this program.

With that, sir, I would like to open it to questions.

[The prepared statement of Donald E. Shasteen appears at p. 33.]

Mr. DOWDY. Thank you very much, Mr. Shasteen.

In your statement I notice that you object to many of the provisions of the draft bill that we're reviewing today. A few reasons are that it's too costly or is unnecessary. In spite of the objections which you noted in your written statement, would you agree that, in terms of a management standpoint alone, the bill will be helpful?

Mr. SHASTEEN. Mr. Chairman, from a management standpoint, it certainly would be helpful, not only to me but also to our people throughout the field.

I think our objections, if I can sum them up briefly, are primarily budgetary, and the increase in reporting responsibilities which would be layered on the States. The administration, as you know, with reference to most job training, practically all other job training that is provided through the Department of Labor, is granting more and more flexibility to the States.

Title 38, because of its responsibility to serve the needs of that very special group of veterans, a constituency of not any particular State but of the Nation by reason of the service they rendered in a time of need, title 38 makes a very special case with special Federal obligations to them. We are determined to carry that out in the full intent of the Congress.

Mr. DOWDY. In your testimony you state that workload—I believe I am correctly repeating from your statement—that workload is the best measure of staffing requirements relative to the LVERs.

Mr. SHASTEEN. Yes, sir, it is. We especially are sensitive to the possibility of any LVER or DVOP not having enough work to do because he or she might be assigned to an area where there are not enough veterans unemployed or underemployed to need their services. We are sensitive to that. For that reason, we cite workload as the principal factor. Traditionally, it has been the workload.

Mr. DOWDY. Others who will be testifying later will place a great deal of importance on the veteran population. In the formula which is contained in the draft bill before us we have three criteria which are taken into account which I and others feel would more accurately reflect need.

Have you had an opportunity to review the formula in the draft proposal?

Mr. SHASTEEN. Yes, sir, I have.

Mr. DOWDY. Could you live with the formula that is included?

Mr. SHASTEEN. If it's the wish of the Congress that this formula be adopted, yes, sir.

For one thing—and I would like to say this positively about the formula, from a management standpoint—today we are allocating positions to States based upon the number of veterans served in each local office. The formula would provide a little more flexibility in that it would allocate positions to States based upon a State-wide figure. Then our directors in those States and our assistant directors in those States, working with the head of the Employment Service, could assign those positions to local offices on a need basis. So from that standpoint, the process of allocating positions to States rather than to individual local offices allows more flexibility.

Mr. DOWDY. We have noted an increase in recent months of complaints from veterans that Federal agencies are not complying with the veteran preference requirements for Federal employment. In addition to that, certain State directors have indicated they would like to have the authority to monitor more closely, or to monitor at all, compliance with veterans preference within their States. I personally have no objection to amending the law to provide this authority.

What is your view?

Mr. SHASTEEN. Mr. Prince will answer that.

Mr. PRINCE. Mr. Chairman, we are currently in discussion with the Office of Personnel Management and its Director in terms of how to better strengthen veterans preference. Mr. Shasteen has gone on an internal campaign, if you will, to meet with agencies to talk about veterans preference and what the requirements of the law are. We feel we will be making progress.

Also, as we travel around, we hear that the State legislatures themselves are dealing individually and working with veterans' organizations in the States to deal with the issue of veterans preference.

Mr. SHASTEEN. Mr. Chairman, I would add that I have rather carefully looked at the law with reference to this. We do not really have authority except to "jawbone". Our State directors and assistant directors, when they learn of an instance where a Federal agency might be discriminating in some manner against a veteran, or overlooking veterans preference in some manner, go right to work and oftentimes contact the Federal agency itself.

Within the past week I personally received a complaint at a training conference in Myrtle Beach, from an LVER in Columbia, SC, about a veteran who felt, since he was the only one who made the cert list for a job at the VA hospital in Columbia, and yet was not chosen—the position was not filled. It was advertised again and still was not filled. We took this matter up directly with the VA in the Washington office. So, whenever we do receive a specific complaint of that kind, we proceed—whether we have monitoring authority or not—we proceed to contact the Federal agency involved and try to do something about it.

We are finding that more and more managers in Government are new to veterans preference and are not veterans themselves and do need quite a bit of education on the various veterans preference laws, particularly the VRA appointment authority and the

special authority that exists for the appointment of special disabled veterans.

Mr. DOWDY. Thank you for your comments in this area.

I personally have gotten a lot of complaints from veterans over recent months. We intend for the subcommittee to become very active in this area in the coming months, and we thank you for your efforts that you're already putting forward.

In his prepared testimony, Mr. Dyson of ICESA recommends that we consider adequate funding for the upkeep of Federal staff, such as State directors. Do you reimburse presently the States for support services for space and other like expenses, or are they provided to the State directors?

Mr. SHASTEEN. We provide funding to the States for the facilities, for the travel, for everything related to the activities of the DVOPs and LVERs, the disabled veterans outreach specialists and the Local Veterans' Employment Representatives. We do not reimburse the States for the facilities which they are required by title 38 to provide for our Federal employees, the State directors and assistant directors who are members of our staff assigned to those States.

We have had questions raised by a number of States; we have had disagreements expressed to us by States. We have had the Inspector General take a look at it and the Solicitor take a look at it. They have told us that, by law, we cannot reimburse and are not supposed to reimburse the States for those expenses, for the facilities, for the telephone service and that sort of thing, provided by the States to our State directors and assistant directors.

Mr. DOWDY. What would be your reaction to a suggestion that the law be changed to allow this reimbursement?

Mr. SHASTEEN. Well, first of all, I would have to cite once again the budgetary problem. On the other side of the coin, Mr. Chairman, as our agency has taken on more and more responsibilities, not just for monitoring but for closely supervising the administration of the funds that we allocate to States, we are now a grantor agency. It is no longer the Employment and Training Administration; it is our agency that is a grantor agency to each State.

I feel very strongly that there is potential for conflict of interest, because we have a State director in each State who has to sit down at least once a year and negotiate a grant agreement that provides a sizeable number of Federal dollars to that State for certain specific services to be delivered by that State in the interest of veterans. We must have the independence, I feel, of that State director not to fear that his office might be moved, or that he might be moved to a smaller office, that his carpeting might be taken out, that there might be other types of harassment against him when he's doing his job.

I am not saying this has existed or occurred in any State. I am simply saying that when you become a grantor agency, with responsibility for dealing with money matters in a negotiated process with another level of government, or with private industry, for that matter, I'm saying there is potential for a conflict of interest here in the way that it's set up at the present time.

Mr. DOWDY. Concerning the position of Deputy Assistant Secretary for VETS, is this position necessary, in your personal view?

Mr. SHASTEEN. Yes, sir. I feel it is necessary. Again, I feel if I'm going to do my job properly, I have to be in a position to eyeball people out across the country who are dealing with these problems: Our State directors, the assistant directors, the DVOPs, the LVERs. Over the past 4 years I would estimate that I have been in probably 175 local Job Service offices in more than 30 States. I feel it is important to be there to do the job. In order for me to do that, I have to have someone in the office who is a day-to-day manager, who can represent my interests there, and see that the activities are carried out the way they are supposed to be. A deputy has become very important.

Mr. DOWDY. Are you prepared at this time to give us an indication of whether Secretary Brock considers the position to be a necessary one?

Mr. SHASTEEN. I am sure that he feels it is a necessary position, Mr. Chairman, or he would not have filled it. It was a position that was vacant during about the first year that this agency existed as a separate agency within the Department. I know that the first Assistant Secretary, Mr. William Plowden of South Carolina, felt very strongly that he needed a deputy. When I came in as his first deputy, there were plenty of responsibilities and plenty of things to do from a day-to-day management standpoint, not just to put the agency together, but to see that it operates properly day by day and month by month when many times the Assistant Secretary has to be elsewhere.

Mr. DOWDY. Do you have any knowledge of any plans within the Department to eliminate the position?

Mr. SHASTEEN. No, I do not. The only thing the bill would do is change it from a Schedule C appointment, made by the Secretary directly, to a career position, which would make it competitive through the regular career or civil service process of the Federal Government. That is the only difference.

Mr. DOWDY. Thank you very much, Mr. Shasteen.

Mr. Smith.

Mr. SMITH of New Jersey. Thank you, Mr. Chairman.

Mr. Shasteen, as you know, section 4 of the draft legislation before us would make the National Veterans Training Institute, by statute, a permanently funded or authorized entity. Do you support that and, if you don't, how do we protect the Institute from OMB zeroing it out from one year to the next?

Mr. SHASTEEN. Mr. Smith, our position is that the provision making it permanent, the provision institutionalizing it, is not necessary, because it is our intention to fund the National Veterans Training Institute as long as it's needed. In fact, we are looking now at funding for the new fiscal year, beginning October 1, which will be an increase over the funding for the first year of its operation, because we are finding there are more and more responsibilities that they are equipped to carry out on our behalf in order to professionalize the services that we provide and the way that we provide them.

Particularly, we are assigning as an additional responsibility the establishment of a training program for counselors. We desperately need an increase in counseling provided through the Employment Service for veterans. We have found, as the Employment Service

has gone through changes in the past 5 or 6 years, that counseling—which is the number one priority service mentioned in title 38 that we deliver to veterans on a priority basis—counseling has gone down, down, down.

For the program year 1985, only 7.5 percent of the veterans who came to the Employment Service received counseling. For the first 9 months of program year 1986, the most recent period for which I have figures, the number of veterans receiving counseling who came to the Employment Service dropped to 7 percent. So we have undertaken to put together a working group, operating under the supervision of NVTI. NVTI will develop a curriculum which we can export to all 50 States and provide, with DVOP and LVER funds that we recapture quarterly if they're not used by the States, we can provide the training in counseling that is needed to increase and improve those services to veterans State by State.

So back again to your original question, no, we feel that it is not needed. We do intend to continue funding it in the manner in which we funded it the first year.

Mr. SMITH of New Jersey. I am glad to hear of your plans to beef up the funding, also.

To what do you attribute the decline in counseling, the lack of counseling that's being provided?

Mr. SHASTEEN. In 1981, in the first round of budget cuts, the Employment Service was reduced in numbers from about 30,000 employees to the vicinity of 25,000. This prompted what we felt was a much needed exercise by the States to take a close look at the way they were operating their Job Service offices and activities throughout the State. Many of them did this and, in the process of doing this, in addition to combining offices, in addition to going to more and more electronic matching, computer matching, in order to increase efficiency, many of the States that were hard pressed decided that counseling is one of the areas they could cut. Some States eliminated professional counseling all together and let the counselors go, so to speak. They no longer have those counselors. So what remains in the Employment Service does not have the capability to do the counseling that title 38 requires be provided as a priority service to veterans. We are moving to plug that gap.

Mr. SMITH of New Jersey. In answer to the Chairman's questions, as well as in your testimony, you had some criticism for the draft bill's formula for determining the number of LVERs. You did indicate, I think, that workload should be the criteria.

What about the number of employable veterans? I know that you mentioned places like Florida, where there's a number of senior citizens who are veterans that are not actively looking for work and who could distort perhaps the allocations of LVERs. What other criteria do you think should be used? The number of employable veterans, would that be a more suitable barometer?

Mr. PRINCE. Mr. Smith, if I may respond, we feel that the workload method is the best method to use in terms of the numbers of LVERs because of States such as Florida and Texas and others that have a large military retirement population. We think it is important that those who come into the Job Service seeking assistance be the determining factor on the workload and the number of LVERs.

Mr. SHASTEEN. And also, Mr. Smith, we have modified our formula to make it more representative of workload than it was just a couple of years ago. The regulations which are still on the books provide for one full-time LVER to be assigned to any local office that in the previous year had 1,000 or more new or renewal applicants. We no longer count the new or renewal applicants. We count all applicants. That includes those who are carried over from the active file from the previous year. They were left out of the formula to begin with. So we are now allocating to local offices—once again, it's a local office and not a State-wide thing—we're allocating to local offices a full-time LVER for any office that had 1,000 or more registrants rather than new or renewal applicants.

We recognize the need for that kind of a change in accurately reflecting workload. If we count the number of retirees in certain areas of the country who don't really come to us for services, then it would tend to balloon the number of LVER positions in those States such as Florida and Arizona.

Mr. SMITH of New Jersey. What is the average workload for an LVER, per week or per day?

Mr. SHASTEEN. I can only cite for you what the LVERs have told me as I have traveled around the country. I have not taken a detailed look at what they do in the office. But I have talked with a number of them, both individually and in groups, and invariably, they come up with a figure of 1,500. One LVER can manage very effectively about 1,500. That is the supervision of the delivery of services to about 1,500. The LVER can't provide direct services to that many, but—

Mr. SMITH of New Jersey. That's on an annual basis?

Mr. SHASTEEN. On an annual basis. So that has been the rule of thumb as we have looked at it. We have examined that over a period of about 3 years simply by conversation. But that is the figure that most of them come up with.

Mr. SMITH of New Jersey. Are there differences from one State to the other in terms of the aggressiveness in publicizing the availability of this service? It would seem to me that, if you have a large pool of employable veterans in one State, what is available is not being publicized and you will have less usage.

Mr. SHASTEEN. Yes. And the degree to which the availability of these services is publicized varies quite widely from State to State. We have been working with the States where we felt they needed to do a better job. We have funded a project which has produced a package of materials, made it available to all the States. We did that in cooperation with the Interstate Conference of Employment Security Agencies. That package is now out there being used in, as I understand it, about 25 States. So we do have public information outreach responsibilities that flow directly from our agency mandated by law. We allocate some of our resources each year to that responsibility.

Mr. SMITH of New Jersey. One final question, Mr. Chairman.

You mentioned, Mr. Shasteen, that section 3 of the draft bill dealing with the annual reporting to congressional committees may be burdensome and very cumbersome for the Department. If that were changed to program years, would that lift some of the burden,

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because what we're really seeking is to get better handle on how well the program is working.

Mr. SHASTEEN. Yes, sir. The bill would change the reporting year from the program year, which runs from July 1 through June 30, to the fiscal year, October 1 through September 30. That would do violence to the Employment Service reporting system of which we are a part. The Employment and Training Administration also depends on that system for certain information. It is all calculated nationwide on a program year rather than a fiscal year basis.

Mr. SMITH of New Jersey. So if it were amended to provide for program years, that would not create an undue burden on the Department?

Mr. SHASTEEN. We still have a problem with some additional reporting requirements which become a cost item. You have to weigh that in relation to the management information that would be helpful in offsetting perhaps some of those costs.

I have looked pretty closely at the reporting requirements that the bill would put in the law. The first paragraph here is pretty much right out of the current law, so there is no much change there. When you get down to the comparison between the percentage of veterans delivered certain services in comparison with the percentage of nonveterans, that would be a new item in reporting. I don't think that would be too difficult to compute because we already receive the figures on the number of Vietnam-era veterans, for example, the number of total veterans, the number of disabled veterans, and the number of special disabled veterans in relation to the total number of nonveterans served. So I think that would be a fairly simple computation. The major problem would be the change in the reporting period, from the fiscal year back to the program year, which is what we use now.

Mr. SMITH of New Jersey. Thank you very much. We are pleased to have both of you with us here today.

Mr. DOWDY. Mrs. Patterson.

Mrs. PATTERSON. Thank you, Mr. Chairman.

Mr. Shasteen, I first want to thank you for mentioning my State of South Carolina so often in your remarks today. It makes me feel like you have been helping us down in our State.

One thing I am concerned about, I know Mr. Plowden very well and I'm concerned that if there isn't a Mr. Plowden around to pursue the issue of a deputy secretary, you know, where are we going to be in that area. You did mention that he was very emphatic that we needed a deputy. I know Mr. Plowden won't be around forever, so I am concerned about that.

Let me just ask you a couple of questions. This is a topic that I'm learning a great deal about and I understand that around the States the job descriptions vary for the LVERs, that there is not uniformity. That concerns me. In this legislation we do say that we need to address that concern.

What would your department do to see that these jobs are more equally described and filled?

Mr. SHASTEEN. This legislation, Mrs. Patterson, would give us additional authority or leverage to use in negotiating with the States to put in place the position description that would be spelled out in the law. Today the law is a bit vague on that. It gives the LVERs

the same responsibilities that it spells out for our State directors and assistant State directors. However, at the National Veterans Training Institute in Denver, we have developed a position description that we call a statement of work for the LVER that is very similar to the one spelled out in this bill. I would compliment the staff on making the one in the bill a little more concise and a little more clear than the one we're using at Denver. But we are using a statement of work very similar to this to train the LVERs on what they should do in their States.

The next bridge that needs to be crossed is to get the States, through their civil service systems, to recognize this position description as the position description under their civil service system for the LVER position. With the provision of this kind of position description in the law, we would have the basis for going to each State in the next agreement we negotiate with that State and press to have that position description adopted.

Mrs. PATTERSON. The other question I was interested in, you commented on the National Veterans Employment and Training Institute in Denver, CO. I would like to know a little bit more about it. I hear raving reports about how successful it has been, the positive point of it, and I would like to know more about those. If it has, in fact, been so highly praised, why would you not see fit to make this a permanent institute?

Mr. SHASTEEN. Well, my experience, I guess, over a period of years is when you institutionalize something in Government, you lose some leverage over it. I would like to keep the Institute in a position to be more responsive to what we, as the agency responsible to Congress for funding this Institute, like to be sure it's more responsive to what we feel is really needed there.

I have said, and I think Bill and others have heard me say, that my concern is that if it becomes institutionalized, maybe some day it will be running us instead of we running the Institute. So I think, from a philosophical standpoint, that is the way I look at it.

I am very pleased that it is operating and functioning so well. We are getting a lot of compliments on it. I think our challenge is to keep the Institute changing as rapidly as we need to to keep up with the changes that are taking place in the economy, and in the administration, the need for changes in the administration of our programs State by State, to really target the needs of each State. That is why the ability to assign a new topic like counseling, and have a resource that can immediately respond in a very professional way, can help us put together the kind of counseling program that's needed. That kind of change which we can do very quickly through the Institute now is important.

I would just be concerned about institutionalizing it from the standpoint that it might not be as flexible in its response to our needs if it were institutionalized.

Mrs. PATTERSON. If it were to be institutionalized, wouldn't you still have leverage over year-by-year contracts? You say it would run you rather than you running it. But there would still be the connection between the two and the offering of suggestions for curriculum changes and whatever. Wouldn't there still be the leverage here in Washington?

Mr. SHASTEEN. Through the contracting process, certainly we would have that kind of leverage. I think it is significant, too, that in the legislation it does not state that the Institute must remain at the University of Colorado. It is something that we could, through the contractual process, if we feel it is not working out as well there as it might some place else, we could move it.

Also, it is our desire not to have everything done at that Institute. I think it is important in the counseling process, for example, to use that maybe for training the core group, but then to fan the curriculum out and actually implement the training in each State. Because the kind of training that might be needed can vary a little bit from State to State, depending on the size of the State and depending on the particular problems that it has.

Mrs. PATTERSON. Thank you very much.

Mr. DOWDY. Mr. Jontz?

Mr. JONTZ. Mr. Chairman, I apologize for my late arrival. I do not have any questions at this time.

Mr. DOWDY. We want to thank both of the witnesses for their appearances.

Mr. Prince.

Mr. PRINCE. Mr. Chairman, if I may refer back to one of your questions regarding veterans preference, I neglected to make this committee aware—and it may already be aware—but recently, in traveling in the southeastern United States, one Federal agency that had been scrutinized by GAO was the Tennessee Valley Authority and its treatment of veterans preference as an issue in its affirmative action policies.

I am happy to report that recently I saw and secured one copy of a brand new handbook right off the press dealing with veterans preference as employees of TVA. So I would be happy to make that available to the committee.

Mr. DOWDY. Thank you very much. And we thank both of you for your assistance this morning.

Mr. SHASTEEN. Thank you, Mr. Chairman, and members of the committee.

Mr. DOWDY. Without objection, written questions may be submitted to any witnesses following the hearings, and letters to the witnesses and their responses will be included in the printed hearing record.

Mr. DOWDY. Next we welcome a panel representing the veterans' organizations. We will begin with Phil Riffin, accompanied by Dennis Rhoades, representing the American Legion; Gordon Thorson, accompanied by Bob Jones, representing the VFW; then Ron Drach of the Disabled American Veterans; followed by Mr. John Messmore, representing the Vietnam Veterans of America.

Let me thank all of you for your appearance this morning and for your assistance this morning and for your assistance this far on this item. We will begin with Mr. Riffin, please.

STATEMENTS OF PHILIP RIGGIN, DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION; ACCOMPANIED BY DENNIS K. RHOADES, DIRECTOR, NATIONAL ECONOMIC COMMISSION, THE AMERICAN LEGION; GORDON R. THORSON, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VFW; ACCOMPANIED BY ROBERT L. JONES, SPECIAL ASSISTANT FOR EMPLOYMENT, VFW; RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS; AND JOHN MESSMORE, TREASURER, VIETNAM VETERANS OF AMERICA

Mr. RIGGIN. Thank you, Mr. Chairman.

We are prepared to summarize our statement, with the request, of course, that our full text be entered into the hearing record.

With me this morning is Dennis Rhoades, who is our National Economics Director. He is prepared to offer that summary and both of us will be available to answer any questions the subcommittee may have.

STATEMENT OF DENNIS K. RHOADES

Mr. RHOADES. Thank you, Mr. Chairman.

I started out to make this oral presentation as brief as I could, and I still intend to keep it as brief as I can. I realize we have a ground to cover.

I want to thank you for the initiative that you and the committee have shown in developing this legislation. Chapter 41 at the present time is the only controlling piece of legislation which determines how veterans are going to be served by the Employment Service. As you know, in 1983, at the behest of the Department of Labor, with the passage of the Job Training Partnership Act, all references to veterans in the Wagner-Pyser Act of 1933 were summarily eliminated. So chapter 41 has taken on an increased importance in determining how veterans are served.

I want to make a few general comments. First, I don't think I need to remind anybody in this room of the scarcity of resources, with budget deficits still running high. I think this legislation and its Senate companion are directed toward making the best use of existing resources. That means making programs stable, making them accountable, and providing adequate training to bring the LVERs and DVOPs up to the best possible speed that we can, so that they can give the best possible service to veterans. As I indicated before, without chapters 41 and 42, and the VJTA program, there would be no national veterans employment program in the United States. So what we are dealing with this morning is very important.

As you know, the American Legion fought devolution this year. We are particularly grateful to you for your efforts in helping to defeat, at least temporarily, the proposals that had originated from the administration to decentralize the Employment Service. We also, however, recognize that we may be facing a problem, if not legislatively, administratively, next year.

It is my understanding that the Department of Labor will soon issue a memorandum which will merge the Job Training Partnership Act units and the Employment Service units in each of the Employment and Training Administration's regional offices. I

think this gives us an idea of where the Employment and Training Administration intends to go as far as these programs are concerned.

Let me comment on a few key provisions in the legislation. First of all, the changes in the LVER program will almost certainly bring the kind of focus to the program which has benefited the DVOP program. The formula which the committee has drafted we agree with in general terms, but we believe a flat base level such as that proposed by S. 999 is probably less vulnerable to abuse by the Office of Management and Budget. It is not that we particularly object to the formula. The numbers we have seen from Assistant Secretary Shasteen indicate that those levels that the Senate bill would generate by fiat and which your draft bill would generate by formula are pretty much the same. What we are concerned with is how those figures can be manipulated in the budget process.

We also favor spelling out the LVER duties. We agree with Assistant Secretary Shasteen and our friends in ICESA that a separation of their duties is clearly indicated. We think, however, that the inclusion of direct services among the duties needs to be examined very carefully. It's not that we necessarily oppose it. We think that direct services ought to be included. But those direct services should not constitute a license to chain an LVER or DVOP down to a desk and do intake interviews. I would request the committee make that point very explicit in its report.

This draft bill and its companion, S. 999, are basically, as Assistant Secretary Shasteen said, about accountability. You know, there are 11 Employment Service agencies in the United States, as we understand it, that are under investigation, or that the Labor Department's IG plans to investigate. It is thus clear that the system is still being taken advantage of in a number of States. The Department of Labor recently released a report on the Validity Generalization Program, which indicated that about half the States reporting had no functional or believable veterans preference in their validity generalization system. And since this was the method by which these agencies were determining who was going to get referred to which job, we found this very chilling.

We want to compliment you on taking the initiative to require the Secretary to take appropriate steps to assure the maximum participation of veterans in the Job Training Partnership Act program. As we have said in other hearings, veterans were shut out of JTPA in 1983. This provision is a means of bringing the employment and training needs of veterans to the attention of the Secretary and to the JTPA system. But, having said that, we also think that this may have a longer range effect if this trend toward combining the Job Training Partnership Act and the Employment Service system continues, as we believe it will.

There are many other provisions that we find are excellent in this piece of legislation. The provision for the regional administrators, the National Veterans Training Institute—I want to compliment Congresswoman Patterson; she must have made the same note as I did, that is, who controls the dollars controls the program—and making the Deputy Assistant Secretary a career Senior Executive Service position.

I would like to comment on just a couple of items regarding questions that you asked, Mr. Chairman, concerning the potential monitoring responsibilities of the State Directors for Veterans Employment and Training. Frankly, this is an issue I haven't had a chance to study very much. But the Office of Personnel Management's decentralization of the Federal hiring system, as well as its gradual backing away from its monitoring responsibilities, would indicate to me that this is something that we probably should take a look at. We think it would be particularly applicable to the Postal Service, over which the Office of Personnel Management now claims they have no jurisdiction, except in the case of appeals.

You also asked a question about the State directors being housed by the Employment Service. This is something that has bothered me for a long time as a potential conflict of interest. But there are some cost problems involved, both in the kind of housing provided and in the provision of clerical staff to a number of the State directors and assistant directors, particularly where there are assistant State directors outstationed. That, I think, probably needs some study.

I want to also mention to you, Mr. Chairman, that I've had the privilege of serving on the Assistant Secretary's Counseling and Guidance Task Force, and I think we're going to come up with some good recommendations for really improving the quality of counseling, using the existing system, and I look forward to talking to you about that in further hearings.

I want to close by saying we really appreciate your effort. We think you have a good piece of draft legislation. Between this and the companion bill in the Senate, I think we're going to come out with a very strong law. Next year I would urge the committee to start taking a look at chapter 42, since chapter 42 in particular has a sunset provision which really defines Vietnam veterans out of the law. It's basic ramification will be to reduce the staff of the Disabled Veterans Outreach Program by at least 75 percent. That doesn't happen until 1991, but budgets are prepared well in advance in this town and I think that is something perhaps the committee ought to be examining at in 1988.

Again, Mr. Chairman, I thank you for the opportunity to be here. [The prepared statement of the American Legion appears at p. 39.]

Mr. Dowdy. Mr. Thorson.

STATEMENT OF GORDON R. THORSON

Mr. THORSON. Mr. Chairman and members of the subcommittee, thank you for this opportunity to express the viewpoint of the Veterans of Foreign Wars on this important issue.

The legislation under consideration today was written to revise chapter 41, title 38, of the United States Code. The VFW agrees with this subcommittee, as we believe legislation is necessary to strengthen chapter 41. It is imperative that the language used in any new legislation clearly reflect the needs of the veteran community and serve to improve and maximize employment and training services to veterans. The VFW is committed to preserving and protecting veteran preference in all Federal employment programs

and we call upon Congress to conduct a review of all Federal employment programs, policies and procedures to ensure that the men and women who have honorably served and protected this Nation be given the employment priority they have earned and deserve.

With me today is Mr. Robert L. Jones, the VFW's Special Assistant for Employment. Mr. Jones is highly regarded in the veterans employment arena and is here today to further outline and advance the VFW position. Please note that the subcommittee was presented with our complete written testimony prior to this hearing and if you have any questions, we will do our best to respond.

Thank you.

[The prepared statement of Gordon R. Thorson appears at p. 46.]

Mr. THORSON. Mr. Jones.

Mr. JONES. Good morning, Mr. Chairman. I want to thank you for the opportunity to be here this morning.

I have spent an extensive period of time on the road here in the last several weeks. I visited three local offices scattered around the United States, and one district office. I have visited with at least one-third of the State directors for veterans employment and training, and at least half of the regional directors. We also had our national convention in that time.

We have a lot of concerns about what is going on, and we feel that your proposed legislation is much needed—along with the companion piece that has been advanced by the Senate—and it is very important at the present time.

We do have some concerns, and I would like to focus specifically on the LVER. If you will bear with me, back when I was a young lad in Indiana, my mother sent me and my stepfather out one time to get some sweet corn. My stepdad drove up to a farmer's field and told me to get out and get two dozen ears of corn. Well, I told him that that wasn't sweet corn. He said, "Well, son, if you boil it long enough, nobody will know the difference." I'm afraid that's what is happening to the LVER today.

What I see happening is, with the increased demand for direct services in the job description, we are taking the first step in merging the LVER with the DVOP, thus a reduction in the future of a much-needed position. Why is this position needed? As you see in our written testimony, we call for extensive emphasis on the necessity for the LVER to be responsive and directly involved with the local administrative entities.

You heard my counterpart from the American Legion talk about the merger of ES offices and JTPA offices at the regional level. This is also happening at the State level. We have the pilot that is taking place up in Indiana and there was a considerable fight in the State to preserve the LVER and DVOP positions, not having them delegated down to the county level.

We looked at Work Force 2000, which was prepared by the Department of Labor, the Hudson Institute. We read that with much interest. We see a need for training, retraining, relocation, counseling services, outreach. As a military retiree, if I had to rest on my retired pay, I would not be able to exist in today's society. I would be rather long in the tooth. Those military retirees need services.

We see the LVER as important in reaching out to the community, to the service delivery areas, to provide that training and re-

training, creating not so much the job but job opportunities. If in the future we can expect our work force to change jobs six times, someone has got to be out there developing those job opportunities for veterans. Today we don't have that.

I would like to share with you some of my experiences. I was in a local office about 2 weeks ago. I walked in and they had one LVER and five DVOPs. Two of the DVOPs were outstationed, allegedly doing their job. The local office manager had absolutely no idea where the LVER and primary DVOPS were. We're calling for accountability of services. These people were not there.

Just yesterday I was in a fully automated, full-blown VG office. I knew where the LVERs and DVOPs were. They were in training, which was excellent. However, I walked in and asked one of the local service staff to pull up a screen and to do a job search for me, to find for me a veteran. They had the mechanics. The screen came up and, sure enough, on the screen there was a veteran, and a Vietnam-era veteran. I said, "Wait a minute. How do you access your files on special disabled veterans?" They had a mechanism in place to do that. Unfortunately, that staff person didn't know how. The staff was not properly supervised nor properly trained in their services. We see that increased emphasis must be placed on the supervisory role of this LVER and his community outreach.

NVTI is the most outstanding program that has come along in many years. It has done a great deal of things for the Employment Service and we support it wholeheartedly. The only thing that we ask is that, in fact, it be institutionalized and made a separate line item, and then given the challenge that it will grow. I am glad to hear Mr. Shasteen say that he is going to use it to meet the needs of the veterans community.

JTPA, it's not happening. Again, we see that LVER as the focal point for the interface at the service delivery area, the individual going to that PIC executive director with the statistics and the facts to back up the need for the veterans community to receive training services based upon their incidence in the population.

We agree with the job description. We think it is important and should be entered into law. But we would like to see increased emphasis placed on that community and training responsibility.

We support the establishment of a Regional Director for Veterans Employment and Training. This is a very important managerial position. We think the management and the communications through the VETS system has got to be reestablished and it has got to be functional. I have reason to believe that the communications are blurred at best at present. I think with the regional director being written into law with a job description, then he, too, will add to the overall success of the program.

The Secretary of Labor's committee, we compliment you on your foresight in expanding that committee to include the U.S. Postal Service. As has already been pointed out, no one really is overseeing the United States Postal Service as an employer of veterans. OPM has, in writing, said that they do not have that responsibility. We are getting increasing numbers of complaints from the veterans community about what is happening within the Federal Government.

My commander-in-chief has written to every Federal executive board about what is happening within the Federal Government. Only three wrote back and said they would like to talk to the veterans community about veterans preference in the Federal Government. Again, that regional director, as well as the LVER, should be dealing with that Federal executive board in their local areas.

Thank you very much, sir.

Mr. Dowdy. Mr. Drach.

STATEMENT OF RONALD W. DRACH

Mr. DRACH. Thank you, Mr. Chairman. I, too, would like to thank you for holding these hearings this morning, and also thank you and the ranking minority member, Chris Smith, for the rapidity with which you have acted in moving legislation to benefit our Nation's veterans, especially disabled veterans.

I am also pleased to learn from the staff that you are planning a rapid movement on your proposed legislation and hopefully can work out the differences with the Senate Veterans' Affairs Committee in due time to come up with a law.

I am also pleased to hear you say you wanted to take a look at the veterans preference issue. I would just like to point out that when you do that, bear in mind the Department of Labor and OPM probably rank pretty well near the bottom in terms of hiring veterans, hiring disabled veterans, using the VRA and using the non-competitive appointment authority. So those two agencies, as agencies overall, do not have a very good record.

In reviewing your draft legislation, I found at least one item that I feel very close to that was missing from your draft legislation, and that is the waiver of the residency requirement for State directors of veterans employment and training. That is contained in the Senate provision. I went into some detail in my prepared testimony talking about that and the reason why we believe a waiver should be granted.

Number one, current law restricts those jobs to those individuals who have lived in the State for at least 2 years. We believe this restriction really limits the upward mobility of some of the younger Vietnam veterans who are working as assistant State directors. The waiver provision that is contained in the Senate bill would not mean that a resident could not get the job. I think there has been some misinterpretation that this would open this thing up and that it would totally do away with the residency requirement. It would not require that the assistant State director get absolute preference. On the contrary, somebody with residency would still get preference. It would only allow the Assistant Secretary to grant a waiver of that residency requirement to allow an assistant State director who has worked in the job for at least 2 years the opportunity to compete. We believe that proposal was a reasonable compromise between existing law and the complete abolition of the residency requirement.

The argument has been made that if you do this the State directors jobs will become a dumping ground for unwanted Department of Labor people. Well, I think this provision really protects against that. One of the things that is really ironic in this dumping ground

syndrome is that the Department of Labor also employs people under the Veterans Reemployment Rights Program. These individuals could reside in a State for 2 years or longer and be under the VRR Program for one day, or any limited amount of time, and be appointed as a State director over an assistant State director who is in a bordering State and who has 10 or more years experience. We believe that is patently unfair to the assistant State directors. We know of no other job in the Federal Government that requires a State residence. This includes the regional office directors of the VA and the medical center directors. There is no requirement that they be State directors, and yet we haven't heard any complaints about the VA dumping their unwanted people in the hospitals or regional offices.

We also believe it is in direct conflict with the Veterans Preference Act. Veterans preference applies to all Federal jobs, not just those that don't require a residency requirement, but all Federal jobs. So we think that by applying the residency requirement we are denying a time-honored and congressionally-bestowed benefit to those veterans.

I was pleased to hear the discussion on the formula for the LVERs. I know both formulas in the Senate version and in your draft are somewhat complex and are subject to what we believe can be manipulative. We recommend a formula similar to that used for allocating DVOPs. But I was intrigued to hear Mr. Shasteen and to see in the ICESA testimony that they want to see a needs-based formula. Well, maybe that's not a bad idea. If you look at applicants, as Mr. Shasteen said, and you look at need, then perhaps we can talk about doubling the LVERs. Because according to their data, the Department of Labor data, about half of all veterans were served with some reportable service last year. About 50 percent received no reportable service with the existing staff. Does that mean we need twice as many people to serve twice as many veterans? Perhaps.

Mr. Chairman, in Mississippi 42 percent were served; 58 percent were not given any reportable service at all in the State of Mississippi. So if we want to look at a needs based formula, then maybe that's the way to go. Maybe we want to double the number of LVERs that are out there.

We also have good reason to believe that the States are violating the law in many, many ways. We talked about NVTI. How has NVTI been funded? It has been funded by the recoupment of money from the States who have not implemented DVOP and LVER positions. This year, as I think Mr. Shasteen indicated, there is going to be over \$3 million coming back from the States who have not adequately implemented existing law. That's \$3 million. That certainly indicates there is quite a bit of violation out there.

Section 2007 of title 38 currently has a provision that says every eligible veteran shall receive some service. And yet, nationally, 50 percent are not receiving any service, and in Mississippi 58 percent are not receiving any service.

We fully support the delineation of duties that you have in your draft bill dealing with the LVERs. I don't think there is anybody who really objects to that. We would make one recommendation, that you consider amending that to require the monitoring of jobs

that are listed by Federal agencies under section 3327 of title 5. This was added to title 5 back under the Civil Service Reform Act of 1978, and neither the Department of Labor nor OPM can tell us how many jobs have been listed in that program.

We also support but ask you to look at your provision requiring the LVERs to cooperate with the vet center personnel. We think that's a good idea, but we're concerned that, historically, since the inception of the vet center program, we know that about 50 percent of all veterans that go into vet centers have some type of employment problem. We don't know what those types of problems are because the vet centers have not kept any records other than it's an employment problem. The VA, almost 8 years after the inception of the vet centers, has never come up with a national policy within the vet center program to deal with employment problems of Vietnam veterans coming to the vet centers. So we would hope you would put some clarifying language in the committee report accompanying the bill to clarify exactly what you mean in terms of cooperating with the vet centers. Or maybe it's the other way around. Maybe the vet centers should be cooperating with the LVERs.

We also would request that the LVERs look at doing some outreach to discouraged workers. We also support the regional administrators and believe there should be at least an equal number with the other parts of the Department of Labor. The only suggestion we make to the draft bill is that we indicate that such a person be an eligible veteran.

We also support NVTI, or the codification of such an institute. But I heard something about 2 weeks ago that concerned me, and I hope Mr. Shasteen will take a look at this. I am concerned that NVTI may be becoming a "super vet center" for DVOPs and LVERs. I heard that at the end of one training session about a month or so ago there was a high level of emotionalism from these individuals and basically what they talked about was delayed stress at the end. They didn't talk about what they learned about chapter 41 or anything like that. They were all wrapped up in what happened during the delayed stress seminar, which is not, in and of itself, bad. But I am just concerned that this may be leading toward a super vet center and I don't think NVTI should be that.

We do believe the Senate version has some other real meaningful provisions that we very strongly encourage you to look at and consider adopting in your version, because I think the system needs it.

Just a final comment. Those who are critical of S. 999 and your provisions are saying the veterans' organizations are trying to micromanage the system. That's not true, Mr. Chairman. I don't think any one of us up here is trying to micromanage the system. I don't think we have the time or the desire to do that. What we are trying to do is see some accountability built into the system.

Thank you very much.

[The prepared statement of Ronald W. Drach appears at p. 49.]

Mr. Dowdy. Thank you.

Mr. Messmore.

STATEMENT OF JOHN MESSMORE

Mr. MESSMORE. Thank you, Mr. Chairman. On behalf of the Vietnam Veterans of America, I am pleased to present our views on what we feel is vital legislation to improve veterans employment and training.

Up front, we would urge the early passage of this legislation. We are particularly pleased with those sections that describe the duties of both the regional directors and the LVERs. We are very pleased to see counseling included as one of the priorities of LVERs for accomplishing the delivery of services to veterans.

We would hope it would either be made clear in the committee's report, or that possible additional language be added, that LVERs should, in fact, be veterans in almost all cases, if at all possible. We have reason to believe that some of the States do not, in fact, search out the best qualified veterans to become LVERs.

Regarding the proposed formula, we prefer the more uncomplicated version in the Senate bill, but we're really in favor of any mechanism that will guarantee a base level that will protect us from arbitrary cuts by OMB.

A particular area that we favor is the working relationship between the Veterans' Administration and the Labor Department. We feel many of the LVERs and DVOPs are not aware that this is even a requirement. Most have never seen any of these agreements, enabling them to work with the vet center folks in the regional offices or whatever. We would strongly urge that language be added in your report that would require a DVOP to be stationed and at every vet center across the country.

As a former member of a private industry council in Ohio, and has as a member of the State coordinating council under JTPA, I am particularly pleased with your words concerning the Job Training Partnership Act. It has been long overdue to convince both the States and local agencies that veterans are, in fact, covered under this bill and are allowed to be covered as a special interest group other than just the title IV(c) provisions.

The sections of the bill that would mandate the regional directors and add the position of Deputy Assistant Secretary, we think, will fill in some gaps in the management process, from the top down, of getting the word to DVOPs and LVERs on just what their missions are. These two provisions will help ensure that they have key people in key positions at all times.

We are in favor of the strengthening of the requirements in the annual reports. We believe, too often, the Secretary of Labor has not had proper information upon which to base decisions as they apply to the delivery of services to veterans. We would like to add that we believe a report every 2 years should be made on the special needs of Vietnam veterans and disabled veterans. A model has already been developed by the Bureau of Labor Statistics and it pointed out pretty much what VVA has thought for years, that there is a disproportionate rate of unemployment, particularly among disabled veterans.

We are very much in favor of the National Veterans Training Institute. We thank and praise Mr. Shasteen for his efforts in providing this training mechanism for DVOPs and LVERs. We're a little

uncomfortable with the fact that he would prefer the Institute to not be a permanent entity. We have more confidence in it being a permanent program that will be able to withstand changes through the future administrations, Mr. Shasteen's successor may not be as much an advocate of this program as he is himself.

When I attended the National Veterans Training Institute program, I was very impressed with what they revolve their training around, what they refer to as their "whole person" concept. Being active in JTPA as a veterans' advocate, both at the local and State level, a lot of what I told the participants at the training institute revolved around JTPA. I was rather surprised at the number of DVOPs, LVERs, and even some of the local office managers, who came up to me afterwards and were rather surprised that there were areas beyond title IV(c). They were not aware that veterans were also eligible under title III, which is for dislocated workers, of which approximately 23 percent of the dislocated work force are veterans. They weren't aware that under title II(a), which is the largest funding source of JTPA, that veterans are, in fact, allowed to be served under a 10-percent window. They do not seem to be getting the message.

I think what we have is a problem in upper management. Every job description, with the exception of the proposed regional directors, requires promoting and advocating participation of veterans in all Federal and federally-funded programs. This is not being done. To assure this requirement is implemented from top to bottom, we recommend you add similar language to the proposed job description of the regional directors.

The point I'm trying to make is that VVA would like to advocate what we call the "whole program" concept. LVERs and DVOPs cannot just be concerned with those programs that contain the word "veteran". They need to get active on private industry councils and State coordinating councils. With "devolvment" right around the corner, with the States taking over more and more of the employment service, they need to be aware of other programs that are out there that they can make use of. I haven't seen that effort. They were all very interested in what I said concerning JTPA programs—and I have since communicated with quite a few of the DVOPs and LVERs. They've been actively seeking other programs they can use to serve veterans. We think this is vital.

Finally, as Mr. Drach stated, we are very strongly in favor of residency requirement being waived for the State directors of veterans employment in each State. We think, frankly, if it comes down to a question of competency and who can do the best job for the vet in need, where the person comes from really does not matter. It's similar to a veteran being saved in Mississippi by a surgeon who came from New Jersey. The veteran doesn't care where that person came from. He just knows he's been helped. We think the same thing should be true in the Employment Service.

Thank you.

[The prepared statement of John Messmore appears at p. 59.]

Mr. Dowdy. We thank all of you for your testimony.

Mr. Drach and Mr. Messmore addressed the residency requirement for the State directors. Let me ask The Legion and the VFW,

did you touch upon this in your prepared comments on what your position is?

Mr. RHOADES. No, Mr. Chairman, the American Legion did not touch upon it. The American Legion has no official position in that regard.

Mr. JONES. Sir, the VFW did not address it in our written testimony. We, likewise, do not have a national mandate that addresses this issue.

Mr. DOWDY. Let me ask you, Mr. Jones, in your testimony you referred to the funding problems that have been experienced regarding the LVERs. For the record, would you describe these problems in more detail?

Mr. JONES. Excuse me, sir. Who was the question to?

Mr. DOWDY. To the VFW. In the testimony you referred to the funding problems experienced in the past relative to LVERs.

Mr. JONES. Basically, sir—and this is why we feel it's very important that we establish a floor for the number of LVERs. What has happened traditionally—and I use the word "traditionally—during the last 3 years, to my knowledge, we have gone to the Hill to fight for supplemental moneys, normally in the amount of about \$8.5 million, to supplement the funding for LVERs due to a shortfall. The shortfall comes as a result of the Department of Labor going through the process and coming up with a needed number of LVERs based upon the need. OMB then comes back and says this is how much money we're going to give you or allot to you for that.

It is my understanding, based upon my sources, that once again this year, for the fourth year, we are looking at a shortfall of approximately 220 LVERs.

Mr. RHOADES. If I may add to that, Mr. Chairman, OMB plays a very curious game. They set a mark for the two programs as a single line item, and since the number of DVOPs are statutorily mandated, and the costs for the positions are known, they take the cost of the DVOP, subtract it from the mark, and what is left over funds however many LVERs they can afford. In other words, there's no determination of need. It's a determination of the dollars.

Mr. DOWDY. Mr. Messmore, the other veterans groups in their written testimony suggested that the regional directors be required to be veterans. Do you concur with this recommendation?

Mr. MESSMORE. Yes, we would concur with that recommendation entirely. As a matter of fact, we would highly recommend that all persons involved with delivery of services to veterans be, in fact, veterans.

Mr. DOWDY. Then one other question for either Mr. Riggin or Mr. Rhoades concerning the testimony of The Legion.

You expressed some concern that local office managers might attempt to confine the LVERs' activities to those of an interviewer because of the new reference to direct services to be performed by LVERs. Our expectation is that State directors, when negotiating annual contracts with the States, will ensure that LVER job descriptions are in accordance with title 38.

Would this address the concerns that you had in your written testimony?

Mr. RHOADES. I think it would, but it would certainly have to be a requirement in the grant negotiation process. I go back to the statement made by Assistant Secretary Shasteen about the need for a nationwide consistent job description that is acceptable and used by all States. I think in our testimony, Mr. Chairman, you will note that that's what we believe a performance standard ought to consist of: Precisely that fairly explicit delineation of job duties.

Mr. Dowdy. Mr. Drach, in your prepared testimony, and in your oral presentation this morning, you set forth a recommendation that LVER duties should include outreach to discouraged workers. What can be done to identify discouraged workers and to contact these individuals?

Mr. DRACH. I think that is going to be a big problem, Mr. Chairman, but I think it can be overcome in one of two ways. The Department of Labor, when they did do their survey a couple of years ago, found that about 100,000 disabled veterans had dropped out of the labor force. But when they did their survey, they put no mechanism in there to do any follow up. They are preparing to do another survey I think in the very near future. I think they have an opportunity now to capture some of those discouraged workers and find out where they are and go out there and talk to them to find out exactly why they have dropped out of the labor force. I think the VA has an opportunity to do something through their voc rehab program, again looking at the 100,000 disabled vets who are out of the labor force.

I was in Dallas earlier this week, and as you may recall, when we had that lapse in VJTA authority a while back, the VA took the initiative and sent a letter out to all of the disabled vets who were declared eligible for VJTA, encouraging them to come back in to see about eligibility for voc rehab.

Several of the voc rehab folks that I talked to on Monday and Tuesday in Dallas told me that the idea was very good but it was poorly designed in its delivery, in that a lot of people came back in who had been denied voc rehab before, who had been through voc rehab, but there was again no mechanism set up to try to address their needs. Instead of referring them to some other service, they just said you're not eligible for voc rehab; you've been through the system before, so go on back home. So there are two areas where poorly implemented ideas just lost that opportunity.

Mr. Dowdy. One question for any of you who would care to respond.

The Secretary of Labor has recommended legislation which would include the Chairman of the EEOC on the Secretary's Committee on Veterans' Employment. As I understand it, this bill would also provide that the Secretary could include the heads of other Federal agencies, such other agencies as the Secretary may designate.

Would any of you care to comment on this proposal?

Mr. JONES. Yes, sir.

Looking at section 2010 of title 38, United States Code, I see that the Chairman of the EEOC is already a member of that committee. So I believe yes, if he would come and participate, it would be very appropriate. We encourage the expansion of the committee to in-

clude the Department of Education and the United States Postal Service.

Mr. RHOADES. Mr. Chairman, if I may add one other thing, we also advocate that Congress give the Secretary authority to create subcommittees or task forces within that committee. The committee is so large at this point that it is largely a "show and tell" operation. I think to operate effectively in its advisory capacity, the authority of the Secretary to designate a task force to focus on specific issues and to make recommendations to the full committee would, I think, be very useful and certainly would increase the committee's effectiveness.

Mr. DRACH. Mr. Chairman, if I may add, three of us sitting up here serve on the Secretary's committee and attend most of the meetings. I certainly agree with the make up of the committee as it is, and I certainly agree with Mr. Rhoades' comments.

The request that the Secretary be allowed to add people as he sees fit, I'm not sure that we need that, only from the standpoint that we've already got virtually every agency on there that deals with veterans, with the exception of the Postal Service and perhaps the Department of Education that has some programs that overlap into the veterans arena.

Of course, you can make the argument for the Department of Commerce to be on there because of the things they do; you can make the argument for virtually any department or agency to be on there in some way, shape or form. We would rather see their committee be retained as is, with the exception of adding the Postal Service and the Department of Education. Then, if the Secretary feels strongly enough about adding somebody else, let's let the Secretary make a legislative proposal, which he has the authority to do.

Mr. JONES. Mr. Chairman, I would also like to add that, from the perspective of the VFW, I think it is very important that the Secretary of Labor be told via your report language that he is expected to have major program heads, such as the Employment and Training Administration, the JTPA staff, the United States Employment Service staff, to attend those meetings. I believe it is the Secretary's right. And those people should attend because they are directly involved in the programs, as pointed out in our previous testimony, in the delivery of programs and services to veterans. They should be there hearing what's going on.

Mr. Dowdy. I thank all of you.

Mr. Smith.

Mr. SMITH of New Jersey. Thank you, Mr. Chairman. Many of the questions that I had have been answered directly in response to the questions you have posed.

I just want to say to our witnesses that this is some of the finest and most carefully thought out and comprehensive testimony I have heard since I've been on this committee. I have been on this committee now for four terms and I think you have provided a very useful bit of insight for this committee as we move to markup on the draft bill.

I did note, Mr. Drach, that you again have called for allowing the assistant State directors, if they want to move up to State director, to receive a waiver. That is something I have been looking very

carefully at. As I think you know, we have had that very situation in my own home State, with a man by the name of Don Smart, who first brought it to my attention, who sought to be considered for a State directorship in New England and was precluded that possibility, not on the merits, but simply on the residency requirement, which I think is so counterproductive and against everything that the veterans' laws are supposed to be all about. So we will be looking very carefully at that Senate provision, the language that you helped to draft.

Again, I just want to thank you for your very fine testimony.

Mr. DOWDY. Thank all of you for your testimony this morning. Thank you very much.

Finally, we will hear from Mr. Tommy Dyson, accompanied by Mr. Alan Lafferman, representing the Interstate Conference of Employment Security Agencies. My friend, Tommy Dyson, is the Executive Director of the Mississippi Employment Security Commission.

Tommy, it is very good to see you again. I would ask that you and Mr. Lafferman proceed.

STATEMENT OF THOMAS H. DYSON, EXECUTIVE DIRECTOR, MISSISSIPPI EMPLOYMENT SECURITY COMMISSION, APPEARING ON BEHALF OF THE INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, INC.; ACCOMPANIED BY ALAN LAFFERMAN, LEGISLATIVE DIRECTOR, ICESA

Mr. DYSON. Thank you, Mr. Chairman.

Mr. Chairman, I will read my prepared statement this morning, and then I will entertain any questions that the committee might have.

Mr. Chairman, members of the subcommittee, my name is Thomas H. Dyson. I am the Executive Director of the Mississippi Employment Security Commission and an active member of the Interstate Conference on Employment Security Agencies, Inc., ICESA. Currently, I serve as Chairman of ICESA's Administrative Support and Technical Committee.

ICESA is the organization representing State administrators of unemployment compensation laws and the public employment service system. We appreciate this opportunity to present our views on the draft bill revising chapter 41, title 38, United States Code.

We commend you, Mr. Chairman, for not only taking the initiative in recommending these amendments, but also in the equitable approach utilized to establish balance between Federal and State responsibility. Clarifying and strengthening the Federal-State partnership in the administration and delivery of veterans' employment services is the greatest challenge to this legislative undertaking, and the most striking difference between your bill and Senate bill S. 999.

We are particularly supportive of that section of the draft bill which, for the first time, establishes a separate and complete description of the duties and responsibilities of the Local Veterans' Employment Representatives. This is consistent with the approach taken in the current statute which has separate sections detailing the responsibilities of the Assistant Secretary of Labor for Veterans' Employment and Training Programs, State and assistant State

directors for veterans employment and training, and Disabled Veterans' Outreach Program Specialists. If enacted, this provision would provide greater clarity and understanding of the role of the LVERs, both in relationship to State directors of veterans employment and training and their functioning the ES local offices.

In addition, we believe that the proposed duties and responsibilities for LVERs creates an effective balance between such areas as functional supervision and direct service delivery. We understand and support those responsibilities of the LVER which relate to ensuring that all local office staff adhere to statutory and regulatory requirements concerning priority service to veterans and eligible persons. But we strongly believe that the LVERs should also be providers of services. This issue has been one of repeated controversy in the past. However, this section of the bill would clarify the matter.

Likewise, the section which describes LVERs as being administratively responsible to the ES local office managers promotes an understanding that LVERs are State employees and, therefore, must be supervised by that level of government, not the Federal sector. Further, having LVERs provide periodic reports to ES local office managers is consistent with the LVERs' status in the Employment Service agency, while at the same time emphasizes the fact that such reports are primarily concerned with compliance of Federal laws and regulations governing services to veterans.

Probably one of the most difficult areas to deal with in such a bill concerns the factors for determining how many LVERs are needed and the basis upon which positions should be allocated to the States. Our recommendation in both instances is that need should be the primary determinant, with performance as an additional factor in the final allocation methodology.

Concerning need, we support the following items for inclusion in the determination process: Number of new and renewal ES applications from veterans and eligible persons; number of veterans and eligible persons in the civilian labor force; and the number of veterans and eligible persons who reside in a specific area. We are less certain as to the weight each factor should have in both processes, but are confident that each is important in determining overall need as well as allocation of positions.

In developing an equitable allocation formula, we also encourage the committee to include an incentive for the States which is directly related to an activity that they can influence. Our recommendation would be to include a productivity factor of not more than 15 percent of the total allocation formula, related to the number of individual veterans and eligible persons placed into jobs. This productivity element must be carefully developed so as to provide equity between heavily and sparsely populated States and weighted more toward the quality of services rather than pure numbers.

Similarly, among the three needs-based factors discussed above, States can have a direct impact on the number of veterans and eligible persons who register in ES local offices. Aggressive outreach activities, including coordination with related programs in the State, can influence the number of veterans who seek ES services. In weighting the various allocation factors, therefore, greater em-

phasis should be directed to this item. These types of incentives would provide the States with a hands-on type of system, creating an allocation methodology that is somewhat controllable and not dependent upon demographic factors alone.

It is important to recognize at this time, Mr. Chairman, that even the most effective and efficient method for determining numbers of staff and the allocation of positions would be a shallow exercise if the Department of Labor does not have procedures in place to accurately determine costs and include these figures in the annual budget request to the Congress. Authority for the Department of Labor to pursue such a process is already contained in section 2006 of chapter 41, but it has not been adequately implemented.

A more thorough approach that we would recommend would be to include surveying Employment Service agencies annually to determine salary and benefit levels as well as a process which could accurately determine costs for overhead and staff support activities—travel and training, for example.

Over the past few years, ES agencies have been told exactly how much funding they would receive for a specific number of LVER positions, regardless of whether or not sufficient funds were available to support these mandated positions. As a result, many States were forced to fill fewer positions than statutorily required, greatly weakening the program.

Mr. Chairman, we would also like to commend you for recognizing the need for Department of Labor officials and staff to work more closely with State and local JTPA administrators in assuring that veterans and eligible persons are provided every opportunity to participate in JTPA programs. The most recent amendments to JTPA include several references to veterans in an effort to increase their participation. Report language goes so far as to encourage this type of consideration when local training plans are being developed. Further, Department of Labor estimates reveal that in regard to title 3 of JTPA, which serves dislocated workers, veterans occupy 26 percent of the eligible population.

It is obvious that many more veterans can and should be benefiting from JTPA programs. However, the Department of Labor has not communicated the importance of these recent legislative changes to the JTPA system, nor have Federal officials followed up with adequate monitoring. Certainly, with strong, visible support from the Secretary of Labor, regional and State directors for veterans employment and training would then be in a stronger position to follow through with JTPA system administrators in at least improving their awareness of the obligation to serve veterans.

In this regard, we therefore recommend that those sections of the law describing the duties and responsibilities of the regional directors of veterans employment and training and State directors of veterans employment and training be further amended to include similar language as contained in proposed item (7) of the Secretary's responsibilities.

Concerning the codification of the National Veterans Employment and Training Service Institute, we fully support such an effort. However, we strongly recommend that language be inserted in this new section, as well as section 2006, clearly indicating that

funds to support the Institute shall be separately identified in the Assistant Secretary of Labor for Veterans' Employment and Training's annual budget request and, further, that these funds shall not be taken from those resources requested to administer the basic Employment Service system.

Regarding the Secretary of Labor's Committee on Veterans' Employment, title 38, U.S.C. 41, section 2010, we recommend that the Director of the United States Employment Service be added to this committee. This individual is responsible for the overall functioning of the Employment Service system which is the primary delivery vehicle for veterans employment in our Nation. It is vitally important to have this individual participate in discussions regarding planning and service delivery at his senior level of the Executive Branch.

While the proposed bill does not offer any substantive changes to section 2003(a), the Disabled Veterans Outreach Program Specialists, we encourage this subcommittee to consider an amendment that would permit the use of part-time DVOPs, where needed. Our members, particularly those with rural areas to serve, find that there is a need for a part-time specialist of this type in certain areas of the State, even though the demographics do not precisely meet the statutory requirement. If there is justification in allowing for part-time LVERs, why not for DVOPs?

Our last recommendation is for the subcommittee to consider adequate funding for the upkeep of the Federal staff assigned to the States. Current law under section 2003 requires State and assistant State directors for veterans employment and training to be "...attached to the public employment service system of the State to which they are assigned."

We have always supported this provision and continue to do so. However, the cost for providing the necessary support, space, communications and so forth, is becoming a greater burden on the States, particularly since funding for the Employment Service has been reduced significantly since 1981.

Section 2006 of title 38 requires the Secretary of Labor to "...estimate the funds necessary for the proper and efficient administration of this chapter 41." Since section 2003 falls within chapter 41, and considering the funding constraints facing the Employment Service system, we encourage you to include report language concerning this issue.

Mr. Chairman, this concludes my statement. I would be happy to respond to any questions at this time.

[The prepared statement of Thomas H. Dyson appears at p. 66.]

Mr. Dowdy. Thank you very much, Mr. Dyson, for your testimony.

You point out that the funding for the Employment Service has been cut significantly in recent years. This is a concern to this subcommittee because this is the delivery system for veterans employment programs. I realize you might not have at your disposal this morning figures that you could present, but I want to know your general feeling about what has happened in our State since these cuts in recent years and how has your agency's ability to deliver services been affected by these cuts?

Mr. DYSON. Mr. Chairman, I can speak for Mississippi on that aspect.

Since 1981 our ES budget has been cut 46 percent, dollar-wise. That would equate to over 50 percent of ES positions within our State. Basically, what it has done to us is taken what Assistant Secretary Shasteen said, the counseling aspect, away from our operation.

At that time we had 39 full-time counselors in our offices in Mississippi. As to the quality of those counselors, most of them had master's degrees. Now we have 18 counselors in our ES division. Some of those ES counselors still have master's degrees, but the majority of them just have a basic 15 hours of counseling experience. So this is a problem we are facing. It's just not adequate resources at the ES level to provide the services that we have to provide.

In fiscal year 1976, we had 50,225 people that came through our office that received counseling. In 1981, that figure had dropped to 40,702. This year, program year 1986, 11,757. So you can see that is a big factor in the services that we can render to the people that come in.

We now have only one LVER doing counseling, and no DVOPs, in Mississippi doing counseling at this point in time. We have counseling available in the offices where we can counsel the vets when they come in. But the funding mechanism has just taken that luxury away from us. We don't have it. We've got a little trust fund up here, I think, that the last report I saw it had \$1.24 billion in there. We just would like to ask the Congress to appropriate to the ES the money to operate the system. That's all we're asking for. With the money, we can do it.

Mr. DOWDY. The issue of State directors day-to-day supervision of LVERs and DVOPs has been a big issue as we have tried to move forward with this legislation. What is your organization's views and your views on this issue?

Mr. DYSON. I would like to see the LVERs—and they're State employees. We hire them and we control them. They have to report, in our structure in Mississippi, to a local office manager. Our personnel board requires that the reporting mechanism and the evaluation process come from a person with direct supervision of that employee. So this is where we would like to see the LVERs be within the local office management system.

We also would like the report language the Senate has as to the functional supervision, to tell us exactly what an LVER and DVOP can do. We would also recommend that that be written into a definition in section 2001 where the definitions are, that would actually spell out functional supervision. We all like it. It will tell us exactly what we're looking for and what we can expect of our DVOPs and LVERs.

Mr. DOWDY. Let me ask you about a suggestion which has been made, that a copy of the LVERs report to the Employment Service local office managers also be furnished to the State director for veterans employment and training. Do you see any problem with such a recommendation?

Mr. DYSON. No, I don't have any problem with it, sir.

Mr. Dowdy. What can your organization do to help ensure that all States are aware of the enactment of this legislation about LVER job descriptions? Can you do anything to be of assistance in this way?

Mr. Dyson. I feel the Interstate Conference can be of great assistance to the legislation, Mr. Chairman. I feel we have a good working relationship with all the directors and ICESA administrators over the United States and feel that, with leadership from our ICESA conference, the information and overview will get out to all ICESA administrators. I, for one, am greatly interested and read with great interest every day the information that we get from our ICESA office in Washington, so I know it will be getting out to the people.

Mr. Chairman, I would like to say at this time that we have in the back of the room with us Mr. Bill Heartwell, who has been the Director of ICESA for about the last 10 years. Mr. Heartwell has tendered his resignation and will be resigning as of December 31 of this year. He has done a remarkable job in working with us and I would just like to have the committee recognize that at this time.

Mr. Dowdy. Thank you very much for bringing that to our attention.

One final question. In your prepared statement, Tommy, you stated a recommendation that we include an amendment which would permit the use of part-time DVOPs, where needed. I certainly would not want to increase services at one office at the expense of another one. Perhaps we could consider some additional part-time positions.

Would you elaborate further on your recommendation?

Mr. Dyson. Mr. Chairman, we have some States—North Dakota, for example—where this is really a problem. They have the need to serve the veterans in those areas, but with the restrictions of 5,300 per DVOP, these sparsely-settled areas of the country can't provide that. This is what we're saying. If we have to split it, put it where the need would be. That's all we're looking at on that point, to serve the veterans.

We in the Employment Service, that's our number one objective, to serve the people in our State. Veterans are a very large part of that and we want to serve them and try to serve them with the requirements put on us with veterans preference.

Mr. Dowdy. Tommy, we want to thank you very much for your attendance and for your testimony this morning. Again, we thank Alan Lafferman as well. Bill, we want to thank you for your service as well.

The issues we have addressed today are complex and sensitive, and on some of these issues we probably have to disagree. Our differences, however, are not nearly as important as the goal that we all admittedly share, that is, maximum employment opportunities for those who have contributed so greatly to the stability and prosperity of this Nation by serving in the armed forces. Working together, I think we can accomplish this goal. We hope to move within the next couple or 3 weeks to a markup before the subcommittee on this legislation.

We want to thank all of the witnesses for being here today. This meeting stands adjourned.

[Whereupon, at 11:50 a.m., the subcommittee was adjourned.]

APPENDIX

STATEMENT OF DONALD E. SHASTEEN
ASSISTANT SECRETARY FOR
VETERANS' EMPLOYMENT AND TRAINING
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OF THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

September 17, 1987

Mr. Chairman and Members of this Subcommittee:

Thank you for this opportunity to appear today to discuss draft legislation to amend Chapter 41, Title 38, United States Code, the "Veterans' Employment and Training Act of 1987."

Mr. Chairman, provisions contained in this draft bill will increase costs and impose additional reporting requirements. These undesirable effects, in our opinion, are of such magnitude that the Administration opposes the draft bill.

There are some elements of this bill which we believe could assist veterans in obtaining jobs and training, and with little or no costs. Many of the changes included in the bill have already been implemented. Other elements can be implemented administratively. Therefore, we see no need for this bill. We recommend, as a preferable course of action, working closely with this Committee to accommodate them as best we can.

I would like to address some of the specific reasons for the Administration's concerns.

Section 2 of the draft bill would increase the number of Local Veterans' Employment Representatives (LVERs) and the federal funds required to support them. The formula by which the number of LVERs would be determined includes veteran population as a factor. It would require one-third of a full-time LVER position for every 25,000 veterans residing in a State at the end of the previous fiscal year.

In our opinion, current and projected LVER assignments are adequate to meet the mandates of Title 38. However, since we were asked to comment on the specifics of the draft, let me focus on several points.

We submit that population is not a good measure of veterans' attachment to the labor market or the need for services of an LVER. Many states such as Florida, Arizona and California have large numbers of retired veterans who aren't looking for work or training. Those large numbers distort the data of such states, and would result in the allocation of inflated numbers of LVERs where they are not needed.

The current criterion for determining LVER positions is based on workload which is the best measure of staffing requirements. We do not believe that a requirement that staffing be tied to veteran population and the number of local offices or service delivery points in addition to workload is sound. Furthermore, we do not believe that the workload criterion of 1,400 eligible veterans and other eligible persons is high enough as a workload basis for assigning an LVER. However, we suggest that if the provision is not deleted that the proposed criterion should be revised to read "who registered for assistance with local employment service offices". Since our data are available through the employment service system, the criterion should specify registration with local employment service offices.

In addition, the portion of the formula which requires one-third of a full-time LVER position for every service delivery point at which employment services are offered is flawed. The term "service delivery point" is not synonymous with the term "local office". Adoption of this criterion would mean that offices such as itinerant points, those offices where staff merely consists of an interviewer stationed at a shopping center, and offices which provide only unemployment insurance claims-taking, would be counted in the formula. Considering that most states most certainly have such offices, the number of LVER positions will be inflated considerably, without workload justification. The criterion should be related to the "local offices" in each State, meaning those offering a range of employment services and having an intrinsic management structure.

For these reasons, I believe that if there were any need to change the formula, it should be based on workload as the best measure of meeting veterans' needs. Based on results of our local office evaluations, support by state employment service agency management of the concept of priority for veterans contributes more significantly to providing priority services to veterans than does the number of LVERs assigned.

We believe that other provisions of the bill requiring the Secretary to appoint Regional Administrators for VETS for every regional office; requiring the Secretary to establish the position of Deputy Assistant Secretary for VETS; and specifying in detail what must be included in budget estimates are each unnecessary.

Concerning the requirement for additional Regional Administrators for VETS, currently, VETS' seven Regional Administrators successfully manage an evenly distributed workload based on numbers of states and density of veteran population. Additional Regional Administrators would not enhance or increase the delivery of services to veterans through the states, and would require nine additional positions.

On behalf of Secretary Brock, I must object to the statutory establishment of a career Deputy Assistant Secretary for VETS. We believe the Secretary should maintain flexibility to decide whether the establishment of new department executives is necessary.

Furthermore, we strongly oppose these two provisions because they would statutorily mandate organization within the Department of Labor. The Secretary must have management discretion to organize the department.

The revisions of the provision requiring detailed budget estimates are burdensome and unnecessary. Details of what are included in budget estimates should not be specified in the law. The Department would, of course, answer any questions about specific items in its budget request.

Commenting further on the draft bill, Section 3(c), Reporting Requirements, refers to an annual report to the appropriate committees of the Congress covering activities and programs "during the preceding fiscal year." Using the fiscal year as a base period would create a reporting problem because the Department has been operating employment and training programs on a "program year" basis over the past several years, as provided for in the Wagner-Peyser Act and Job Training Partnership Act. All program and performance data is tracked for the period July 1 through June 30 for each program year; compiling a fiscal year report would create a disconnect in our program data. Therefore, it is highly recommended that reporting requirements be specified on a program year basis. Without such a change, it will be necessary to reprogram the computerized reporting system at considerable time and expense to accommodate the fiscal year veterans' program report requirements. Further, all other Department employment service activities and training programs under the Job Training Partnership Act, except for veterans' programs, would be reporting on a program year basis, making comparisons very difficult, if not impossible. In addition, we do not believe the specific content of the report should be specified in law. Most of the data are already available and published.

Section 4 of the proposed legislation requires the establishment of a national training institute to train Disabled Veterans' Outreach Program (DVOP) and LVER staff as well as Directors for Veterans' Employment and Training Service and their Assistants. Such training would be concerned with provision of job training, placement, counseling and related services to veterans. This provision is simply not necessary, Mr. Chairman.

As you know, the VETS currently operates the National Veterans' Training Institute (NVTI) through a grant to the State

of Colorado. Following the "whole person" concept, training is given to DVOP, LVER and other state agency staff to provide services to veterans. We cannot support a permanent "Institute", mandated by law, because the long-term needs have not yet been established. While we fully intend to maintain NVTI as long as the need exists, we do not feel that this legislation provides the flexibility to administer NVTI in a cost-effective manner.

Another section of the draft bill which I would like to comment upon is Section 5, dealing with the Secretary's Committee on Veterans' Employment. We have forwarded legislation to Congress on August 31, 1987, which addresses this specific point. We strongly recommend that our proposal be enacted to allow any additions or revisions to the federal membership of the Committee at the discretion of the Secretary of Labor, who is Chairman of the Committee. This would permit the inclusion of other agencies besides those enumerated in the law which might have programs that are involved with veterans' employment and training issues; one such agency is ACTION.

Mr. Chairman, I began my testimony by stating that some actions consistent with this proposed legislation could be taken administratively to strengthen implementation of Title 38. In particular, we believe we must ensure that job counseling is available to veterans at the local employment service office level and that properly trained DVOP and LVER staff are able to provide this service. For this reason, I have already directed the development of a job counseling module for inclusion in the curriculum at the NVTI and instructed that this training module be implemented as soon as practical. I believe we can accomplish this within current law and budget, thereby providing vastly improved services to veterans.

I would like to add that we have changed the titles of our field staff. We now have Regional Administrators instead of Regional Directors and also Directors and Assistant Directors instead of State Directors and Assistant State Directors for Veterans' Employment and Training Service.

Mr. Chairman, that concludes my remarks and I would like to thank you once again for this opportunity to provide my views regarding the proposed Veterans' Employment and Training Act of 1987.



Statement of
The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

E. PHILIP RIGGIN, DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

and

DENNIS K. RHOADES, DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
VETERANS AFFAIRS COMMITTEE
U. S. HOUSE OF REPRESENTATIVES

on

REVISIONS IN TITLE 38 REGARDING
VETERANS EMPLOYMENT & TRAINING SERVICES

SEPTEMBER 17, 1987

STATEMENT OF

DENNIS K. RHOADES
ECONOMICS DIRECTOR
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.

September 17, 1987

Mr. Chairman, members of the subcommittee.

The American Legion is pleased to appear before you today to discuss a draft bill which will make significant changes in chapter 41 of title 38, the basic statutory mandate for the veterans employment and training system nationwide. As we indicated in testimony before an oversight hearing of the subcommittee in May of this year, these statutes are badly in need of revision, and we are gratified by your leadership, Mr. Chairman, and that of Chairman Cranston in the Senate, in this revision initiative.

Since we have already made known to the Committee our generic views concerning the veterans employment and training system, I would like to confine my remarks today to specific issues in this draft legislation, and its Senate companion, S 999. The two bills are in many respects quite similar, but diverge on a number of key points. In addition, there are several issues which The American Legion believes the Congress ought to address which are in neither bill, and these too will be a part of our discussion.

The committee's draft bill begins by addressing the Local Veterans Employment Representative (LVER) program, which has in recent years become a target of the Office

of Management and Budget (OMB), which establishes a combined funding mark for this and the Disabled Veterans Outreach Program (DVOP). Title 38 establishes an unequivocal formula for determining the number of DVOP personnel. By subtracting required funds for DVOP from the arbitrary mark it has established, OMB has proposed substantial reductions in the number of LVERs in each of the last three budgets. Fortunately, Congress has not agreed to these reductions, but the proposals have been disruptive to the program, forcing State Employment Security Agencies to prepare to reduce staff, and subsequently abandoning such plans.

For this reason, an LVER formula as unequivocal as that for DVOP personnel is needed, and is, in fact, included in the draft legislation. The Committee's draft bill provides a formula based upon three factors, a sudden change in any of which individually would not have a drastic effect upon the programs's staffing levels in a single year. Nonetheless, The American Legion believes that the potential for OMB abuse of the formula is such that the delegates from our last National Convention in San Antonio placed the organization on record favoring the provisions of S 999, which establishes a minimum number of 1600 LVERs. We believe that the Administration's record in attempting to eviscerate the LVER program really leaves little choice.

We also recognize, however, that labor market and labor force considerations will change over the years, so that Congress should periodically review this staffing base. A report upon the appropriateness of the staffing level is therefore included as a requirement in S 999's amendment to section 2007(c)(4) of title 38. We support that kind of accountability in that it will allow the Congress to make whatever changes are necessary to the base staffing level as time goes on. We also recommend to you that language be included in the committee's draft bill to specify that funds to support the base staffing will include adequate administrative funds.

The Legion is generally supportive of the draft bill's inclusion in the statute of specific job duties for the LVER. This proposal would permit a clearer distinction between the LVERs and the Labor Department's State Directors for Veterans Employment, whose duties are really identical under present law. We are also in general agreement with the new reference to direct services to be performed by the LVERs, although with some caution. We believe the Congress should make it clear that this reference does not constitute a carte blanche which would allow local office managers to confine the LVER's activities to those of an interviewer. In that regard, a nationally

consistent job description needs to be developed by the Department of Labor for the LVERs (as well as DVOP personnel), and local offices monitored for compliance.

In the Legion's view, this would constitute the best type of "performance standard," consistent with the functional supervision, outreach and technical assistance duties of the position, as well as the guidance and intensive placement activities of DVOP staff. It is in this context only that we support the Senate's requirement for performance standards. To move beyond assuring that LVERs are performing their jobs as required by law suggests to us numerical standards for placements and referrals which are not consistent with the other activities LVERs must perform. The Legion also agrees with the draft bill's omission of individual performance reviews of LVERs and DVOP staff by State Directors of Veterans Employment and Training. State Directors not only do not have the kind of daily contact with these staff to perform meaningful reviews, but we also believe that the requirement would create problems with individual merit systems and collective bargaining agreements in many States.

The American Legion strongly favors, however, the requirement for the functional responsibility of LVER staff to State Directors of Veterans Employment and Training. In our testimony last May, we indicated that this is hardly a new concept, and its reemphasis in new legislation is necessary. We support, on the other hand, your draft bill's requirement that the LVER shall be administratively responsible to the local office manager. The inclusion of both the functional and administrative responsibilities, taken together, will present a clear delineation of authority. In addition, we believe the draft bill's language will clarify the Committee's intent that the LVER should report directly to the local office manager, rather than through additional bureaucratic layers. We ask that the Committee emphasize that point in its report.

Two other issues concerning LVERs and DVOP staff merit comment. First, we note that S 999 requires assignment of LVERs with the concurrence of State Directors of Veterans Employment and Training, while the draft bill before us today provides only for consultation. The American Legion believes that, given the role of State Directors of Veterans Employment and Training in the LVER/DVOP grant negotiations, the concurrence provisions of S 999 ought to be part of the law. Second, S 999 restricts appointment to LVER positions to veterans only, with a "grandfather" clause to protect present LVERs who are not veterans. The Legion recommends that this restriction be included in the draft bill.

Another major element of the draft legislation, as well as S 999, is the "new" provisions to be included under section 2002A, which set forth the responsibilities of the Secretary of Labor and the Assistant Secretary of Veterans Employment and Training. These provisions are largely those in the current section 2009, which both bills propose to delete. The draft bill, however, adds a new provision which requires the Secretary to "take appropriate steps to assure the maximum participation of veterans" in programs under the Job Training Partnership Act.

Mr. Chairman, The American Legion has urged the Committees on Veterans Affairs for the past several years to strengthen chapter 41 by including this type of reference in the statute. While we recognize the legitimate concern over jurisdictional boundaries among Congressional committees, we have maintained, nonetheless, that there is more than adequate precedence in chapter 41 to address the Job Training Partnership Act and other national employment and training programs. The extensive requirements placed upon the employment service, the responsibility for which rests in the Labor Committees, argues for title 38 to address employment training programs in a similar manner. We are, therefore, particularly pleased with this provision.

The Legion would recommend, however, that the provision should also include a reference to the dislocated workers program now under consideration in Congress. Recent Bureau of Labor Statistics surveys have shown that veterans represent 26 percent of all dislocated workers, or approximately twice their incidence in the labor force. We, therefore, believe that inclusion of a reference to the new program would be of considerable value, particularly at this point in time while the program is in a developmental phase.

The legislation before us today proposes several changes in the office of the Assistant Secretary of Labor for Veterans Employment and Training and in the Veterans Employment and Training Service. The American Legion believes that any changes which will improve the management, accountability and morale in the organization should be supported. We are particularly pleased to note that the Committee is proposing to create in statute the position of Regional Administrator of Veterans Employment and Training, since the Legion has advocated such legislation by resolution over the past three years. The Labor Department administers its employment and training programs, including the Employment Service, through ten Regional offices. The ability to develop a

cooperative relationship with the field offices of the Employment and Training Administration (ETA) is vital to veterans services in these programs, and can preclude the need for Washington to intervene on specific issues.

The Veterans Employment and Training Service, however, has only seven regional offices, owing to a premature abolition of the San Francisco, New York and Denver offices several years ago. For this reason alone, we believe that these provisions are timely. Equally as important, however, is the continuing vulnerability of the Veterans Employment and Training Service's top field management to budget reductions imposed by OMB, particularly in light of the fact that the Regional Administrators' subordinates - the State and Assistant State Directors of Veterans Employment and Training - are statutorily mandated positions. Finally, the expanded administrative responsibilities of the organization's field staff (including LVER/DVOP and JTPA title IV-C grants) argue very strongly for permanence in the regional structure of the Veterans Employment and Training Service.

Mr. Chairman, The American Legion has examined the language of the draft bill pertaining to the VETS budget at section 2006, and we have several recommendations to make today. First, we note that there is no provision for line item specificity regarding the budget for the National Veterans Training Institute (NVTI), which the Legion is pleased to see will be authorized by statute at section 2010A. We note that S 999 includes such language and we urge the Committee to follow suit. While we are not advocating a specific authorization level for the new program, we believe that, if NVTI is important enough to be included as a separate section in the statute, Congress has a right and a need to know and establish its specific funding level each year.

Second, we are very concerned that neither the draft bill, nor S 999 addresses the "demonstrated lack of need" provision in the current section 2006(d), which pertains to all of chapter 41, including the DVOP/LVER program. While we are pleased to note that the "demonstrated lack of need" language has been eliminated under section 2004, governing LVERs, we believe that the continuation of such language under 2006 invites its misuse by OMB to curtail any program under this chapter, based on arbitrary budget marks. We recommend elimination of such language.

We would like to comment on two other items in the legislation. The Legion welcomes the addition of the Postmaster General and the Secretary of Education to the

Secretary of Labor's Committee on Veterans Employment. This Committee, however, can at present operate only as a committee-of-the whole, since Congress has granted no authority for the creation of subcommittees and, as you are no doubt aware, Federal law prohibits their creation absent either Congressional authorization or OMB approval. As it is constituted now, the Secretary's Committee is simply too large to function in an effective advisory capacity without subcommittees or task forces to focus on specific issues. We, therefore, recommend that you consider adding language to authorize such subcommittees or task forces.

The draft bill under consideration also includes no provision similar to that in S 999 which would authorize a survey of unemployment among disabled and Vietnam theatre veterans every two years. The Labor Department, in cooperation with the VA, conducted such a survey several years ago, and considerable information was gleaned from its results. The cost of such a survey is minimal, and we recommend that you include it in the draft legislation.

In conclusion, Mr. Chairman, The American Legion is pleased with the extensive work which you and your staff have devoted to this legislation. We believe that ultimately we will emerge with a chapter 41 which is both stronger and requires considerably more accountability than present law. That can only benefit the veterans we are all attempting to serve.

We also hope that next year the subcommittee will address chapter 42 as it has chapter 41. The sunset date on Vietnam era veterans is a critical issue which we believe should be resolved in sufficient time to assure that programs such as DVOP are not disrupted. We also believe that the entire question of the enforcement of the affirmative action provisions under section 2012 of chapter 42 must be revisited.

We are looking forward to a dialogue on these issues next year. Thank you.

STATEMENT OF
GORDON R. THORSON, SPECIAL ASSISTANT
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

DRAFT LEGISLATION INTENDED TO REVISE
CHAPTER 41, TITLE 38, UNITED STATES CODE

WASHINGTON, D. C.

SEPTEMBER 17, 1987

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

The Veterans of Foreign Wars of the United States welcomes the opportunity to participate in this important hearing and offer our position on veterans' employment and the administration of programs designed to benefit our veteran population. I represent the 2.8 million men and women who are members of our proud organization and its Ladies Auxiliary.

The VFW prides itself in its commitment to veterans preference; and we ask Congress to conduct a review of all federal employment programs, policies and procedures to ensure that veterans preference is given the priority it so richly deserves. The VFW has vowed to do "whatever it takes" to preserve and protect veterans' entitlements and programs. We ask Congress to join us in a combined effort to not only maintain but to enhance programs targeted to help employ this nation's veterans.

Today, we are here to discuss proposed legislation which would alter and possibly improve Chapter 41 of Title 38, United States Code. The draft legislation under consideration covers four major areas of concern:

- 1.) Section 2--Local Veterans' Employment Representatives (LVERs)
Spells out, describes and redefines the duties and responsibilities of the LVERs position and a formula is given for determining the number of LVERs in each state.
- 2.) Section 3--Administration
This section spells out the administrative responsibilities of the Secretary of Labor under Chapters 41 and 43 as appointed through his appointed spokesman, the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET). The section further delineates the duties of the ASVET and calls for specific annual reporting requirements to Congress.
- 3.) Section 4--National Veterans' Employment and Training Service Institute (NVETSI)
Establishes and funds NVETSI to provide training for personnel involved with veteran's employment and related services.
- 4.) Section 5--Secretary's Committee on Veterans' Employment
Would include the Secretary of Education and the Postmaster General on the committee.

Mr. Chairman, we do have a few comments and suggestions to offer on each of the four main sections of this draft bill. We will also present some additional thoughts and concerns about other employment related issues later in our testimony.

The VFW disagrees with the language used in Section 2 of the draft legislation that describes the role of a LVER. The job description set forth in Section 2 appears to give the LVER the duties of an intake clerk. This Section should be rewritten to give the LVER position its proper emphasis and allow a clear representation of the LVER's mission.

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The LVER job description should place emphasis on his supervisory role and target his responsibility to promote veteran employment within the community at every opportunity. The job description should also highlight case management and counseling duties and include a requirement to visit out placed Disabled Veteran Outreach Program Specialists (DVOPs) to adequately oversee their activities. Further refinements should require the monitoring of discrimination complaints and a monitoring and reporting responsibility for federal job listings and placements.

We agree with the provision that holds the LVER administratively responsible to the local office manager, however, the State Director of Veterans' Employment and Training (SDVET) and his assistant director should also have a role in the individual LVER's functional supervision with the authority to comment formally concerning the LVER's performance.

The draft bill establishes a formula to control LVER staffing. We believe that a better formula is available: we urge that Congress establish by law one full-time LVER for each 1,000 new and renewal veteran applicants and one or more additional LVER for each 1,500 new or renewal applicants above 1,000, or one or more full-time LVERs in the local Job Service Center administrative area for each 5,000 veteran population, or any fraction thereof, and that there shall be no less than 1,600 LVERs nationwide (see attached VFW Resolution Number 674). A floor must be established setting the minimum number of LVERs allowed by law. We have been informed that for the fourth year in a row the program is subject to losing an estimated 200 LVERs due to lack of funding. This continuous effort to reduce service to veterans is unacceptable to the VFW.

Section 3 is intended to clearly set forth the administrative responsibilities of the Secretary of Labor and his assistants under Chapters 41 and 43. For the most part Section 3 does give a fair outline of their responsibilities and establishes reporting requirements. We would like to see additional language that would:

Ensure that the ASVET is made a part of any and all decision making processes in the Department of Labor (DOL) that will affect any employment and employment job training programs furnished through the department and that the letter and intent of law governing veterans employment emphasis be preserved (see attached VFW Resolution Number 704). This is vitally important in that most previously proposed administrative legislation did not specifically address veterans.

Establish Regional Veterans' Employment Representative positions by law, specifying that a Regional Veterans' Employment Representative be assigned to every Department of Labor administrative region (see attached VFW Resolution Number 772).

The VFW also wholeheartedly endorses the reporting requirements established in Section 3. We agree and maintain that reporting requirements are necessary at all levels of the veteran service provision chain as all should be held accountable for the services they are charged with providing.

Section 4 establishes and funds the National Veterans' Employment and Training Service Institute. The pilot program, initiated by the ASVET, has received many favorable reports and the VFW wholeheartedly agrees with the continuance and expansion of this training program. We visualize this training program having great potential as it becomes a permanent resource of the Department of Labor, and suggest that funding for NVETSI be established as a separate line item within the ASVET annual budget. This dual purpose program would train employment personnel and also serve as a resource library of employment and training information. The informational material would then become available to any interested state or federal agency.

Section 5 includes the Secretary of Education and the Postmaster General on the Secretary's Committee on Veterans' Employment. The VFW supports this action as we think it important that representation from the Department of Education and the United States Postal Service be

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included on this panel and their input would contribute significantly to the committee. Veterans must be given consideration in Department of Education programs as there will be a need for continuing vocational training and adult education well into the future. The United States Postal Service employs the largest number of disabled veterans in the federal government and naturally should be included on the committee.

Though this hearing was convened primarily to discuss the draft resolution, we would like to take a moment to advise the Committee of some additional VFW employment and training concerns:

- We believe that a new Bureau of Labor Statistic study should be undertaken to access the current employment and training needs of this nation's veterans
- The special consideration given to Vietnam veterans in employment programs is due to sunset on 31 December 1991. Existing programs will be reduced accordingly. We believe the BLS study requested previously will demonstrate a need to extend or eliminate this sunset provision.
- The State Director of Veterans' Employment and Training is required to monitor all employment and training programs conducted within his state to ensure adequate services are provided to veterans. To accomplish this task he must be provided with sufficient administrative support and financial resources to get the job done.
- VFW Resolution Number 674 states that should State Employment Services fail to assign Local Veterans Employment Representatives to only those duties prescribed by law, or should the State Employment Security Agency System be de-federalized, that Local Veterans' Employment Representatives and Disabled Veterans Outreach Program positions become federal positions under the administrative and operational control of the Assistant Secretary of Veterans' Employment and Training, and that sufficient funding be provided to ensure adequate staffing and provision of services.
- The attached VFW Resolution Number 700 would put the responsibility of monitoring the federal contract program as it relates to veterans under the control of the ASVET, thus, helping to ensure that federal contractors take affirmative action to employ qualified disabled veterans and Vietnam era veterans.
- We maintain that any nonveteran appointed to a LVER slot must be approved by the Regional Director of Veterans Employment and Training and endorsed by the SDVET. Ideally the LVER should be a veteran.
- To enhance service to veterans we believe that Disabled Veteran Outreach Programs Specialists should not only be placed in Vet Centers but they should also be placed with the Veterans Administration Vocational Rehabilitation staff.

We believe that the legislative proposals addressed in this statement taken together with those in S. 999 represent a significant piece of legislation that will greatly enhance employment and training services to veterans when enacted by the Congress. This will result in sweeping changes in the day-to-day functions of the employment service as it affects veterans. And should result in more efficient service delivery, allowing more veterans to remain in the labor force.

We should not rest upon our laurels; we must look to the future. This draft bill is a positive first step.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OF THE
HOUSE VETERANS AFFAIRS COMMITTEE
September 17, 1987

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than 1.1 million members of the Disabled American Veterans and its Ladies' Auxiliary, I am pleased to appear before you today to discuss draft legislation to amend Chapter 41 of Title 38, U.S. Code, dealing with employment and training for our nation's veterans.

Mr. Chairman, we particularly want to thank you and Ranking Minority Member Chris Smith for the swiftness with which you have moved to address our nation's veterans' employment and training programs so early in the 100th Congress. The Disabled American Veterans thanks you.

Mr. Chairman, many of the amendments you propose to Chapter 41, Title 38, U.S. Code, are long overdue. We believe much needed improvements to Chapter 41 can be accomplished with the provisions of H.R. 1504, as amended by S. 999, and your draft proposal.

In comparing your discussion draft with H.R. 1504, I find that you have not included a provision to grant a waiver to the existing residency requirement for State and Assistant State Directors for Veterans' Employment and Training. H.R. 1504 grants some relief to what we view as an artificial barrier to advancement for Assistant State Directors with two years' or more experience.

Current law (Section 2003(b)(1)) restricts those jobs to individuals who have resided in the state for at least two years. In our opinion, this requirement is extremely restrictive to the upward mobility potential of existing Assistant State Directors. The DAV at its most recently concluded National Convention adopted Resolution No. 345. This resolution would allow the Assistant Secretary of Labor to waive the residency requirements but only for an Assistant State Director who has served at least two years in that capacity. This does not mean that an Assistant State Director would have to be promoted but only would give that person the opportunity to be promoted.

Under current law, Assistant State Directors are restricted to applying for State Director vacancies only in the state in which they reside. Many of these individuals have shown outstanding ability and attributes but are unable to be promoted to State Director positions in other states. We believe the Senate proposal is a reasonable compromise between existing law and the complete abolition of a residency requirement.

Mr. Chairman, a review of the duties and responsibilities of State and Assistant State Directors under Section 2003 of Title 38, U.S. Code, reveals that residency in a particular state is not a necessity.

The argument has often been made that if you amend the residency requirement the positions could become a "dumping ground" for people in other parts of the Department of Labor. Our proposal protects against this. As a matter of fact, we

believe that our proposal offers additional protection against "dumping." Currently, the Office of Assistant Secretary for Veterans' Employment and Training (OASVET) employs Veterans' Reemployment Rights Specialists under Chapter 43, Title 38, U.S. Code. Obviously, many of these people have attained residency status and would thus be eligible for the State or Assistant State Directors' positions. We must ask is it fair for someone who is in the VRR program as little as one day but has lived in the state for two years be eligible for the State Director's position while an individual in a neighboring state may have ten or more years' experience but would not be eligible. We think this is patently unfair.

Mr. Chairman, because these are federal jobs, the precondition of state residency is fundamentally inconsistent with the ordinary competitive tenor of federal employment. To our knowledge, no other federal position carries this restriction. This includes VA medical center directors and VA regional office directors.

Further, the residency requirement may be legally deficient. This restriction has the affect of permanently barring an individual from obtaining a certain government job. Although the residency requirement prescribes only a two year waiting period, the number of positions which become available is quite limited. Thus, an otherwise qualified applicant who loses an appointment because of failure to meet the residency requirement is not likely to have another opportunity. In such cases, the requirement would in practice act as a permanent disqualification.

It is also in direct contradiction with the Veterans' Preference Act of 1944, as amended. This statute provides that veterans' preference shall be applicable to all federal jobs, including certain ones in the excepted service. By applying a residency requirement you are denying a time-honored Congressionally bestowed benefit to these veterans.

Current law presumes that an individual who has resided in a state for two years will always be better qualified than any other candidate who has not resided in that state. This is certainly a rebuttable presumption. We believe the waiver provision is fair for two reasons: (1) it retains the residency requirement and provides a preference for those individuals; and (2) it grants potential relief to qualified individuals who have served in the program for at least two years.

Mr. Chairman, when we appeared before the Senate Veterans Affairs Committee in April of this year, we agreed that a numerical formula is necessary to assure an adequate number of Local Veterans' Employment Representatives (LVER). The House version differs from the Senate but the final result is very similar. I have been informed that the Senate bill would provide for 1,600 LVERs and the House approximately 1,612. The DAV agrees that approximately 1,600 is a reasonable floor level.

Both House and Senate formulas tend to be confusing and cumbersome to deal with. It becomes very difficult to determine an adequate number of LVERs using data other than actual veterans residing in a particular state. No matter what type of formula is offered, the potential for data manipulation is of major concern to us. Current law provides for the assignment of DVOP personnel on the basis of one for each 5,300 veterans of the Vietnam Era and disabled veterans residing in each state. We believe that has worked very effectively for the past seven years and further believe that a formula similar to that would adequately address the LVER staffing problem.

Mr. Chairman, we support the delineation of duties of LVERs in Section 2 of your draft bill. We would, however, suggest that Item No. 7 be amended to include a responsibility to monitor job vacancies listed with the Job Service as required by Section 3327 of Title 5, U.S. Code. This section was added to Title 5 by the Civil Service Reform Act of 1978. It requires federal departments and agencies who are going to go outside of the federal agency system to recruit potential employees to list those job openings with the local State Job Employment Security Office. We also believe a similar amendment should be added to Section 2003(c) (6) for State and Assistant State Directors.

We strongly support the concept of having LVERs cooperate with employers in identifying disabled veterans who have participated in Chapter 31 of Title 38, U.S. Code.

Paragraph 10 of Section 2 requires LVERs to cooperate with Vet Center personnel "in identifying and assisting veterans who have readjustment problems and who may need employment placement assistance or vocational training assistance."

Mr. Chairman, Vet Center data reveal that approximately 50% of all veterans visiting the Vet Centers have some employment or employment related problem. This has been known almost since the inception of the Vet Center program. In spite of these appalling data, the Veterans Administration has never developed a national policy on dealing with these veterans' employment and training needs through the Vet Center. We don't disagree with your proposal, we only suggest that clarifying language as to Congressional intent be contained in the Committee Report accompanying this bill.

We also believe that the LVER duties need to include an effort of outreach to the discouraged worker who is an eligible veteran or eligible person under this title.

The amended Section 2004(c) requires the LVER to provide "periodic reports to the manager regarding compliance with federal law and regulations." We believe that such a report is necessary. We further believe that such a report should be submitted to the Assistant State Director or State Director for their review and necessary action.

We request your amended Section 2004(d) (4) (A), defining who is a registered veteran, be reconsidered. Under the current proposal it would appear that individuals could register for assistance on June 30th and, unless they re-registered or renewed their registration after July 1st (the beginning of the new program year), they would not be counted as registered veterans. We think this is a flawed method in that many of these individuals would continue to be eligible to receive services and would have an active file. We believe that unless a particular veteran's file has been inactivated as a result of meaningful services, that individual should be counted as "registered."

Mr. Chairman, we also support the provision that would add a Regional Administrator to each of the federal regions where the Department of Labor operates a Regional Office. We have attached our Resolution No. 152 on this subject, which was also adopted unanimously at our National Convention.

Mr. Chairman, several years ago, the Veterans' Employment and Training Service consolidated the San Francisco and Seattle Regions. The Denver Region has been abolished and consolidated with the Kansas City Region and headquartered in Kansas City. The New York and Boston Regions have been consolidated and are now headquartered in Boston. The Veterans' Employment and Training Service now has only seven Regional Offices.

We would suggest that your proposal be amended to include the following language for Regional Administrator: "Such a person shall be an eligible veteran."

Section 2002A requires an Assistant Secretary of Labor for Veterans' Employment be appointed by the President. This is commonly known as a Schedule C political appointment. Current legislation is silent with respect to a Deputy Assistant Secretary but such a position has been encumbered and it, too, has been identified as a Schedule C political appointment. Since the Assistant Secretary is subject to serve at the pleasure of the President and, as such, is not guaranteed employment, this obviously results in a probable change of personnel with every change in Administration. We have had two Assistant Secretaries during the Reagan Administration.

We believe, in order to provide continuity, the position of Deputy Assistant Secretary should be mandated. This position should be in the Career Senior Executive Service.

Mr. Chairman, we are pleased to note the inclusion of a "National Veterans' Employment and Training Service Institute" in your draft bill. We are committed to and support the codification of such an institute. If established, this would provide ongoing training to LVERs, DVOPs, State and Assistant State Directors for Veterans' Employment and Training and "...such other personnel involved in the provision of employment, job training, placement, or related services...." The DAV has supported the need for this type of training for more than a decade.

With the possible exception of the Administration, you will most likely find no one who opposes this idea.

As you know, such a training program has been established administratively in Denver, Colorado.

Assistant Secretary of Labor Donald Shasteen is to be commended for his insight and action in support of this concept. The codification of such a program is the next logical step in assuring that existing personnel, as well as future personnel, have the opportunity to receive this much needed training.

Mr. Chairman, I have reviewed the curriculum used in Colorado. I have participated and spent several days at the Institute in Denver and am very pleased to report that the University of Colorado has done an outstanding job of pulling together resources and knowledgeable persons to set up this program.

Mr. Chairman, scores of LVERs, DVOPs, Office Managers and others have gone through the training program in Denver. I offer for your consideration a few select testimonials from people who have participated:

The week I attended proved to be one of the most intense weeks I have had in a long time. After getting back to reality, I found that I had gained something from every presentation, even the ones that I had considered not useful. (DVOP)

I must say that it was by far the most rewarding and enlightening training I have experienced in my job as a DVOP...I have had many training sessions put on by the state but none can match this. My only hope is that these sessions can be ongoing and updated as we progress into the future. (DVOP)

It was not only enlightening, but definitely the best that I have ever attended. (LVER)

The National Veterans' Training Institute Program was intense both intellectually and emotionally. It was by far one of the best training programs I have attended. (LVER)

What a splendid training experience. (DVOP)

The NVTI course was absolutely the most meaningful, impressive and enjoyable training I have ever received. (LVER)

I recently completed one of the most enlightening experiences of my career -- a training course which, by the time it was over, became a very personal, emotional, and fulfilling happening.

I feel, because I am a supervisor, that management and supervision should be encouraged to attend this meeting. It was most informative from both the fellowship of the trainees and the instruction given. (ES Supervisor II)

Mr. Chairman, we also support the proposed changes to the membership of the Secretary's Committee on Veterans' Employment. We particularly believe the Postmaster General needs to be added. As we know, the Postal Service is one of the nation's largest employers and, as such, probably employs more veterans than any other employer in the country. Because of this, we believe it is imperative that they participate in the Secretary's Committee.

Mr. Chairman, in our opinion, the Assistant Secretary of Labor for Veterans' Employment and Training has, in all too many instances, been ineffective in attempting to provide meaningful employment and training services to our nation's veterans.

With this in mind, the Senate has made significant important amendments to Section 2002A providing for additional authority and responsibility to the Assistant Secretary. We believe that in order to have an effective program, monitoring, enforcement and compliance must be an integral part. Title 38 currently is lacking in this regard and we believe the changes proposed in the Senate bill are necessary.

We particularly request your consideration of incorporating the following from the Senate bill:

Section 3, LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES, amends Section 2004 by stating in Paragraph (c)(1) "the services provided by Local Veterans' Employment Representatives shall be subject to the functional supervision specified in Section 2003(c)(1)(A) of this title."

Section 7 of the bill reinforces this supervision responsibility by amending Section 2003(c) by adding "(A) functionally supervise the provision of services to eligible veterans and eligible persons by such system and such program and their staffs."

We also believe the amendment offered by Section 4(b)(2) which states, "A State Director for Veterans' Employment and Training, or a designee of such director, shall submit to the head of the Employment Service in the state recommendations and comments in connection with each annual performance rating of a Disabled Veterans Outreach Program Specialist or Local Veterans' Employment Representative in the state" is important and should be adopted.

Mr. Chairman, another area that concerns us deals with the assignment of Local Veterans' Employment Representatives.

The Senate version provides that these individuals shall "...be assigned by the administrative head of the Employment Service in the state, with the concurrence of the State Director for Veterans' Employment and Training" (emphasis added).

Your version, Mr. Chairman, calls for the assignment to "...be made by the head of the Employment Service in the state after consultation with the State Director for Veterans' Employment and Training" (emphasis added). Mr. Chairman, we believe that the State Director should have concurrence with these assignments. Without that, the head of the Employment Service will continue to assign, as he or she sees fit.

Mr. Chairman, those who are opposed to the changes offered by the Senate and House Veterans Affairs Committees accuse the veterans' organizations of trying to micro-manage the system. Mr. Chairman, our intent is not to micro-manage but to build accountability into the system. The DAV supports a strong Employment Service system and has so stated by adopting Resolution No. 071 at our recently concluded National Convention. Resolution No. 071 mandates us to oppose devolution and support a strong Employment Service system. We believe the proposal before us today addresses that resolution.

Mr. Chairman, although not part of your bill or part of Chapter 41, Title 38, U.S. Code, we would like to draw your attention to the attached Resolution No. 360. This resolution seeks to amend Chapter 43 of Title 38, U.S. Code, to provide that individuals employed by the Department of Labor in the Veterans Reemployment Rights Program be veterans themselves.

This concept is certainly consistent with other provisions which require State Directors, Assistant State Directors and the proposed Regional Administrators to be veterans. We would appreciate your consideration of this resolution at the appropriate time.

Mr. Chairman, again on behalf of the more than 1.1 million of the Disabled American Veterans and its Ladies' Auxiliary, I want to thank you for allowing us to appear before you today. We believe that a coordinated effort between the House and Senate Veterans Affairs Committees will result in yet another meaningful piece of legislation designed to alleviate employment and training problems for our nation's veterans. I will be happy to answer any questions.

RESOLUTION NO. 345
LEGISLATIVETO AMEND THE RESIDENCY REQUIREMENTS FOR
STATE DIRECTORS AND ASSISTANT STATE DIRECTORS
OF THE VETERANS' EMPLOYMENT AND TRAINING SERVICE

WHEREAS, the Congress of the United States has enacted legislation providing for a Veterans' Employment and Training Service within the Department of Labor; and

WHEREAS, the Act provides that the State Director and the Assistant State Director of the Veterans' Employment and Training Service shall be a veteran, and at the time of appointment shall be a bona fide resident of the state for at least two years; and

WHEREAS, this provision prohibits promotional opportunities for Assistant State Directors to other states and restricts them to their own states; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Atlanta, Georgia, August 16-20, 1987 go on record in support of a waiver to substitute two years' experience as an Assistant State Director in lieu of the current residency requirements, thereby allowing Assistant State Directors the opportunity to compete for State Director positions as they become vacant.

* * *

RESOLUTION NO. 152
LEGISLATIVETO ESTABLISH BY LAW THE POSITION OF REGIONAL
VETERANS' EMPLOYMENT REPRESENTATIVE

WHEREAS, Chapter 41, Title 38, U.S. Code, provides that the Veterans' Employment and Training Service shall administer programs for job counseling, training and employment placement services for all veterans; and

WHEREAS, the Veterans' Employment and Training Service has established (although not authorized by law) regional Veterans' Employment Representatives to supervise and monitor the Veterans' Employment Programs of each of the states in their jurisdiction; and

WHEREAS, Regional Veterans' Employment Representatives provide a vital service in the promotion of providing employment assistance to veterans; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Atlanta, Georgia, August 16-20, 1987 support the enactment of legislation to establish, by statute, the position of Regional Veterans' Employment Representative.

* * *

RESOLUTION NO. 071
LEGISLATIVE

SUPPORT A STRONG EMPLOYMENT SERVICE PROGRAM

WHEREAS, the Administration is attempting to "devolve" the employment service, giving the states the authority to develop and administer their own employment service system; and

WHEREAS, Congress has declared as its intent that there shall be an effective job and job training counseling service program for eligible veterans; and

WHEREAS, the Disabled American Veterans believes a strong centralized employment service system is necessary for all eligible veterans, especially disabled veterans, to receive Congressionally mandated employment services; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Atlanta, Georgia, August 16-20, 1987 reaffirms its vigorous support for a strong centralized employment service system.

* * *

RESOLUTION NO. 360
LEGISLATIVEREQUIRE THAT THE STAFF OF THE
VETERANS' REEMPLOYMENT RIGHTS PROGRAM BE VETERANS

WHEREAS, current law does not require that the Veterans' Reemployment Rights staff be eligible veterans but does require that State and Assistant State Directors for Veterans' Employment and Training be eligible veterans; and

WHEREAS, these positions were established to insure that veterans leaving military service and members of the National Guard and Reserve are properly restored to their previous employment; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Atlanta, Georgia, August 16-20, 1987 support legislation that would require the Veterans' Reemployment Rights personnel be eligible veterans with preference given to service- connected disabled veterans.

* * *

Statement
of
John Messmore
Treasurer
Vietnam Veterans of America
accompanied by
Michael Leaveck
Legislative Director
before the
Subcommittee on Education,
Employment and Training
Committee on Veterans Affairs
United States House of Representatives
regarding the
"Veterans Employment and Training Act of 1987"

September 17, 1987

Mr. Chairman, on behalf of Vietnam Veterans of America (VVA), I wish to commend you for your leadership on veterans employment issues, and thank you for the opportunity to present our views here this morning. We will present our views section by section, following the order of the proposed Act and of Chapter 41, Title 38, United States Code. As a general position, Vietnam Veterans of America strongly favors early passage of this legislation, as it will greatly strengthen training and employment services offered to disabled Vietnam and recently separated veterans.

In regard to Section 2, which would amend S.2004 of Title 38, U.S.C. to provide a more complete and appropriate definition of the role of Local Veteran Employment Representatives (LVERs), VVA favors passage of this section. We are especially pleased to see counseling included as a part of the labor exchange services to be provided by LVERs. VVA would hope that it would be made clear in the Committee report accompanying this bill that the LVER should, with very few exceptions, be a veteran. VVA has reason to believe that less than maximum efforts to find qualified, eligible veterans for these positions has been exerted by some states. VVA would also suggest that you seriously consider conferring "functional control" of DVOPs and LVERs upon the State Director for Veterans Employment and Training, (SDVET). An alternative could be some other mechanism that makes it clear that the VETS has adequate authority to be able to ensure that the DVOPs and LVERs, who are the actual service deliverers to the veteran, are properly trained, supported and guided.

Regarding the proposed formula for the number of LVERs, VVA

believes that a less complicated formula, with a base of 1600, would be a more advantageous route to pursue as opposed to that which is outlined, although VVA would be committed to any mechanism that will protect a full and adequate LVER funding level from arbitrary cuts by the Office of Management and Budget. VVA would also recommend that the Committee establish specific procedures for determining the proper level of administrative expenses.

Under Section 3, VVA favors the effort to ensure that the Secretary of Labor, through the Assistant Secretary for Veterans Employment and Training, serve in a leadership role to coordinate and maximize all public and private resources that can and should be marshalled to assist disabled and Vietnam veterans in securing meaningful employment and training opportunities. We particularly would endorse the effort to ensure active and substantive daily working coordination at the service delivery level between labor personnel and Veterans Administration personnel. This is especially important in regard to Vocational Rehabilitation and Readjustment Counseling. VVA requests that you consider including in your Committee report language that would make it clear that a DVOP should be outstationed at each and every community based Vet Center and satellite, as a matter of policy and actual practice.

VVA strongly favors part (b)(7) of Section 3, which calls for "appropriate steps to provide for the maximum participation of qualified veterans and eligible persons in employment and training opportunities under the Job Training Partnership Act." VVA recommends that it would be appropriate to add, "the Trade Adjustment Assistance Act, and/or any other appropriate training and

assistance programs funded in whole or in part by the U.S. Department of Labor," (or words to that effect).

VVA endorses the provisions of the proposed Act that will statutorily require Regional Directors of VETS and which will statutorily require the establishment of a Deputy Assistant Secretary of Labor for Veterans Employment and Training within the Senior Executive Service. VVA believes that both of these specific provisions are necessary in order to protect the integrity of the managerial/operational activities and responsibilities of the Veteran Employment and Training Services (VETS). VVA believes that VETS is struggling hard to improve the management of its resources. These two provisions will help ensure that they have people in key positions to continue that process.

VVA also strongly endorses the proposed amendment to S.2006(a), which would require specific information demonstrating that the budget submission is in compliance with the requirements of Chapter 41. In recent years there have been instances of attempts to "bury" proposed cuts in the VETS budget by obfuscation of the funding levels. This provision will safeguard the system against such "mistakes."

Vietnam Veterans of America believes that the proposed strengthening of the requirements for an annual report from the Secretary of Labor is necessary and prudent. A major difficulty in the past has been that it has proven to be extremely difficult to obtain reasonably detailed information about what is actually occurring at the State and service delivery level. The specificity of this proposal will provide the Congress and the

Secretary of Labor with factual information on which to make judgements and take action as required.

In this regard, VVA strongly recommends that you add a requirement that the Department of Labor conduct a special survey of unemployment rates and labor market participation among Vietnam theatre veterans and among service connected disabled veterans, at least once every two years. The model for this study has already been developed through the Bureau of Labor Statistics, First Time Study on Disabled Veterans, which was released on March 31, 1986. This study documented that those who are service connected disabled and those who served in the Vietnam theatre were experiencing significantly greater difficulty in securing employment, which is what VVA has always maintained was the case. The need now is for a regular periodic survey, that measures whether steps taken to address the problems of Vietnam theatre and disabled veterans are having any effect. The Secretary should be required to request adequate funds to conduct this study.

VVA also strongly supports the move to make the "National Veterans Employment and Training Service Institute," (NVETSI, or NVETI) permanent (Section 4(a)). VVA believes that this is one of the most significant positive developments in veterans employment in the past ten years. We urge the Committee to include in its report the need for participation of "such other personnel," throughout the employment system who are responsible for providing services to veterans on a priority basis.

It is also our recommendation that you require the Secretary of Labor to request, as a separate line item, adequate funding for

the operation of this vital component of the VETS mission. In addition, we recommend the funds for travel expenses and per diem of DVOPs and LVERs be a part of the grant or contract to each state, rather than a line item of NVETSI.

VVA would very strongly recommend elimination of the residency requirement for application for State Director of Veterans Employment and Training. This relaxation of the residency requirement should only be for Assistant Directors from other states who have been in the system for two or more years, and be limited to states who have one or fewer ASDVETS. This step is necessary to ensure that the VETS system can retain and develop young leadership, so that each state can get the very best trained and most experienced state director possible.

Clearly, familiarity with the people and culture of a given state would and should be given some weight in the selection of a State Director, but other factors are equally important, such as demonstrated competence, experience with VETS, and other factors pertaining to actual job performance. Frankly, it should come down to a question of competency, and who can do the best job for the vet in need, not where the person in the job comes from originally.

Lastly, when I attended the National Veterans' Training Institute last winter, I was most impressed with the "whole person," concept utilized throughout the training session. I was also dismayed by the attendees' lack of knowledge and understanding of other federal employment programs. For example, all of the attendees were familiar with Title IV C of JTPA, but most

had little knowledge of Title II A and its ten percent window, or Title III which provides assistance for dislocated workers, a targeted group, of which veterans comprise approximately 23%.

Every job description, (with the exception of the proposed Regional Administrators), from the Assistant Secretary through the DVOPs and LVERs, contains the same assignment - - - promote, facilitate, and monitor participation of veterans in federal and federally funded employment and training programs. VVA refers to this as the "whole program," concept.

To ensure the "whole program," concept is utilized, VVA would recommend the responsibilities of Regional Administrators parallel those of other VETS personnel. We would further suggest that the Deputy Assistant Secretary monitor the "whole program" concept.

Finally, we would urge the Committee's report to stress the need for maximum participation of qualified veterans and eligible persons in all federal programs including all titles of JTPA, the Trade Assistance Act, VJTA, Targeted Jobs Tax Credit, etc.

Mr. Chairman, once again I wish to thank you and the Committee for allowing Vietnam Veterans of America to present our views here today.

STATEMENT
OF THE
INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, INC.

ON

"THE VETERANS' EMPLOYMENT AND TRAINING ACT OF 1987"
(Discussion Draft - August 20, 1987)

TO

HOUSE VETERANS' AFFAIRS SUBCOMMITTEE ON EDUCATION,
TRAINING AND EMPLOYMENT

BY

THOMAS H. DYSON
EXECUTIVE DIRECTOR
MISSISSIPPI EMPLOYMENT SECURITY COMMISSION

SEPTEMBER 17, 1987

Mr. Chairman, members of the Subcommittee, my name is Thomas H. Dyson. I am Executive Director of the Mississippi Employment Security Commission and an active member of the Interstate Conference of Employment Security Agencies, Inc. (ICESA). Currently, I serve as Chairman of ICESA's Administrative Support and Technical Committee.

ICESA is the organization representing State administrators of unemployment compensation laws and the public employment service system. We appreciate this opportunity to present our views on the draft bill revising chapter 41, title 38, United States Code.

We commend you, Mr. Chairman, for not only taking the initiative in recommending these amendments, but also in the equitable approach utilized to establish balance between Federal and State responsibility. Clarifying and strengthening the Federal-State partnership in the administration and delivery of veterans' employment services is the greatest challenge to this legislative undertaking, and the most striking difference between your bill and Senate bill S.999.

We are particularly supportive of that section of the draft bill which, for the first time, establishes a separate and complete description of the duties and responsibilities of Local Veterans' Employment Representatives (LVERs). This is consistent with the approach taken in the current statute which has separate sections detailing the responsibilities of the Assistant Secretary of Labor for Veterans' Employment and Training Programs (ASVET), State and Assistant State Directors for Veterans' Employment and Training (SDVETs and ASDVETs), and Disabled Veterans' Outreach Program Specialists (DVOPs). If enacted, this provision would provide greater clarity and

- 2 -

understanding of the role of LVERs, both in relation to SDVETs and their functioning in Employment Service (ES) local offices.

In addition, we believe that the proposed duties and responsibilities for LVERs creates an effective balance between such areas as functional supervision and direct service delivery. We understand and support those responsibilities of the LVER which relate to ensuring that all local office staff adhere to statutory and regulatory requirements concerning priority services to veterans and eligible persons; but we strongly believe that LVERs should also be providers of services. This issue has been one of repeated controversy in the past; however, this section of the bill would clarify the matter. Likewise, the section which describes LVERs as being administratively responsible to the ES local office manager promotes an understanding that LVERs are state employees and, therefore, must be supervised by that level of government--not the Federal sector. Further, having LVERs provide periodic reports to ES local office managers is consistent with the LVERs' status in the ES agency, while at the same time emphasizes the fact that such reports are primarily concerned with compliance of Federal laws and regulations governing services to veterans.

Probably one of the most difficult areas to deal with in such a bill concerns the factors for determining how many LVERs are needed, and the basis upon which positions should be allocated to the states. Our recommendation in both instances is that need should be the primary determinant, with performance as an additional factor in the final allocation methodology.

- 3 -

Concerning need, we support the following items for inclusion in the determination process:

- number of new and renewal ES applications from veterans and eligible persons
- number of veterans and eligible persons in the civilian labor force
- number of veterans and eligible persons who reside in a specific area

We are less certain as to the weight each factor should have in both processes, but are confident that each is important in determining overall need, as well as the allocation of positions.

In developing an equitable allocation formula, we also encourage the Committee to include an incentive for the States which is directly related to an activity that they can influence. Our recommendation would be to include a productivity factor, of not more than 15% of the total allocation formula, related to the number of individual veterans and eligible persons placed into jobs. The productivity element must be carefully developed so as to provide equity between heavily and sparsely populated States and weighted more towards the quality of services rather than pure numbers.

Similarly, among the three, needs-based factors discussed above, States can have a direct impact on the number of veterans and eligible persons who register in ES local offices. Aggressive outreach activities, including coordination with related programs in the State, can influence the number of veterans who seek ES services. In weighting the various allocation factors, therefore, greater emphasis should be directed to this item.

These types of incentives would provide the States with a "hands-on" type of system, creating an allocation methodology that is somewhat controllable and not dependent on demographic factors alone.

It is important to recognize at this time, Mr. Chairman, that even the most effective and efficient method for determining numbers of staff and the allocation of positions would be a shallow exercise, if the Department of Labor does not have procedures in place to accurately determine costs and include these figures in the annual budget request to the Congress. Authority for DOL to pursue such a process is already contained in section 2006 of chapter 41, but it has not been adequately implemented.

A more thorough approach, which we recommend, would include surveying ES agencies annually to determine salary and benefit levels as well as a process which could accurately determine costs for overhead and staff support activities (e.g., travel and training). Over the past few years, ES agencies have been told exactly how much funding they would receive for a specific number of LVER positions, regardless of whether or not sufficient funds were available to support these mandated positions. As a result, many States were forced to fill fewer positions than statutorily required, greatly weakening the program.

Mr. Chairman, we would also like to commend you for recognizing the need for Department of Labor officials and staff to work more closely with State and Local (Service Delivery Area) Job Training Partnership Act (JTPA) administrators in assuring that veterans and eligible persons are provided every opportunity to participate in JTPA programs. The most recent amendments to JTPA include several references to veterans in an effort to increase their participation. Report language goes so far as to encourage this type of consideration when local training plans

are being developed. Further, Department of Labor estimates reveal that in regard to Title III of JTPA which serves dislocated workers, veterans occupy 26% of the eligible population.

It is obvious that many more veterans can and should be benefiting from JTPA Programs. However, the Department of Labor has not communicated the importance of these recent legislative changes to the JTPA system, nor have Federal officials followed-up with adequate monitoring. Certainly, with strong, visible support from the Secretary of Labor, Regional and State Directors for Veterans' Employment and Training would then be in a stronger position to follow through with JTPA system administrators in at least improving their awareness of the obligation to serve veterans. In this regard, we therefore recommend that those sections of law describing the duties and responsibilities of RDVETs and SDVETs be further amended to include similar language as contained in proposed item (7) of the Secretary's responsibilities.

Concerning the codification of the National Veterans' Employment and Training Service Institute, we fully support such an effort. However, we strongly recommend that language be inserted in this new section, as well as Section 2006, clearly indicating that funds to support the Institute shall be separately identified in the ASVETs annual budget request and, further, that these funds shall not be taken from those resources requested to administer the basic Employment Service system.

Regarding the Secretary of Labor's Committee on Veterans' Employment (38 U.S.C. 41, Sect. 2010), we recommend that the Director of the United States Employment Service (USES) be added to the Committee. This individual is responsible for the overall functioning of the Employment Service System which is the primary

delivery vehicle for veterans' employment in our nation. It is vitally important to have this individual participate in discussions regarding planning and service delivery at this senior level of the Executive Branch.

While the proposed bill does not offer any substantive changes to section 2003A (DVOPs), we encourage this Subcommittee to consider an amendment that would permit the use of part-time DVOPs where needed. Our members, particularly those with rural areas to serve, find that there is a need for a part-time specialist of this type in certain areas of the states, even though the demographics do not precisely meet the statutory requirement. If there is justification in allowing for part-time LVERs, why not for DVOPs?

Our last recommendation is for the Subcommittee to consider adequate funding for the upkeep of Federal staff (SDVETs, etc.) assigned to the States. Current law, under Section 2003, requires State and Assistant State Directors for Veterans' Employment and Training to be "...attached to the public employment service system of the State to which they are assigned." We have always supported this provision and continue to do so. However, the cost for providing the necessary support (space, communications, etc.) is becoming a greater burden on the States particularly since funding for the Employment Service has been reduced significantly since 1981.

Section 2006 of title 38 requires the Secretary of Labor to "...estimate the funds necessary for the proper and efficient administration of this Chapter (41)..." Since section 2003 falls within chapter 41, and considering the funding constraints facing the Employment Service system, we encourage you to include report language concerning this issue.

Mr. Chairman, this concludes my statement. I would be happy to respond to any questions that you may have.



National Headquarters
4647 Forbes Boulevard, Lanham, Maryland 20706
(301) 459-9600

NATIONAL LEGISLATIVE DIRECTOR



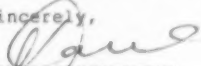
9 October 1987

The Honorable Wayne Dowdy, Chairman
Subcommittee on Education, Training, and Employment
Veterans' Affairs Committee
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Please accept the enclosed statement on the Veterans' Education and Training Act of 1987 for inclusion in the record of the hearing of 17 September, 1987.

Sincerely,


DAVID BASSAMANECK
Lt. Col., USA, Retired
National Legislative Director

DP/ljh

Enclosures



Statement of
DAVID PASSAMANECK
AMVETS National Legislative Director

Before The
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
HOUSE COMMITTEE ON VETERANS' AFFAIRS

On Draft Legislation to
Amend Chapter 41, Title 38, United States Code-
The Veterans' Employment and Training Act of 1987

17 September 1987

AMVETS is pleased to have this opportunity to present our views regarding suggested amendments to Chapter 41, Title 38, United State Code, styled as the Veterans' Employment and Training Act of 1987.

Mr. Chairman, this draft bill will unnecessarily increase costs and impose burdensome micromanagement on the Department of Labor.

Most of the provisions in the bill can be implemented under existing law, and others, in our view, would do nothing more than bloat the bureaucracy.

Section 2 of the bill would increase the number of Local Veterans' Employment Representatives (LVERs) and the federal funds required to support them, based on a formula which would require one-third of a full-time LVER position for every 25,000 veterans residing in a State at the end of the previous fiscal year. In our view, population is an incorrect measure of the need for services of LVERs. In many states, such as Florida, Arizona and California, large numbers of retired veterans who aren't looking for work or training, would distort the allocation of LVERs under this formula.

We therefore believe that the current standard based on workload should be continued. Additionally, the bill requires the Secretary of Labor to appoint Regional Administrators for VETS for every regional office, and requires the Secretary to establish the position of Deputy Assistant Secretary for VETS. Additional Regional Administrators would not improve or increase the services to veterans through the states, and would require at least nine additional positions. AMVETS is not interested in providing additional jobs within the VETS, but in solid on the line employment assistance to veterans. By the same token, we don't need a Deputy Assistant Secretary for VETS, with all the bureaucratic baggage which would accompany creation of such an office.

As always, AMVETS is basically opposed to excessive micromanagement of the executive departments by Congress.